Ōtautahi-Christchurch

Te Pūrongo-ā-tau
Annual Report 2024

Volume 2 of 2

Christchurch City Council

Ōtautahi-Christchurch

Te Pūrongo-ā-tau
Annual Report 2024

Volume 2 of 2

Financial statements and Group information

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Christchurch City Council

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Financial statements

Financial ratios and prudence benchmarks

The Council has financial ratios which form a key part of its financial risk management strategy.

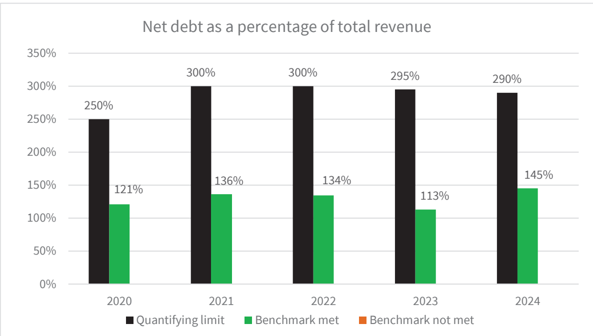
The Council is required under the Local Government (Financial Reporting and Prudence) Regulations 2014 to report on the affordability and benchmark ratios, in addition, we are required to comply with ratios contained in our funding agreement with the Local Government Funding Agency.

These ratios and benchmarks enable the reader to determine that the Council is prudently managing its revenues, expense, assets, liabilities and general financial dealings.

Local Government Funding Agency Borrowing Covenants

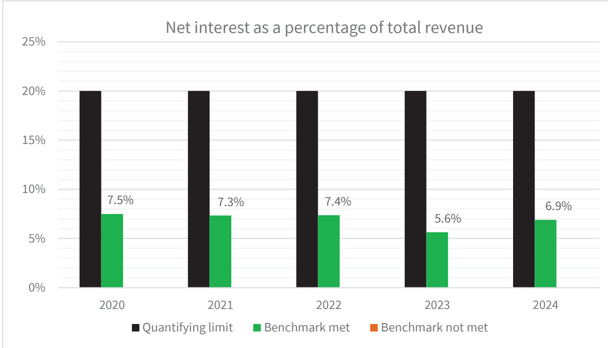
Net debt[1] as a percentage of total revenue[2]

The Council continues to comply with the net debt to total revenue ratio. The following graph compares the Council's actual ratio of net debt (borrowing) as a percentage of total revenue with a quantified limit stated in the financial strategy included each year in the Council's Plan. The quantified limit is 290 per cent and Council is expected to maintain net debt as a percentage of total revenue to less than or equal to the quantified limit.



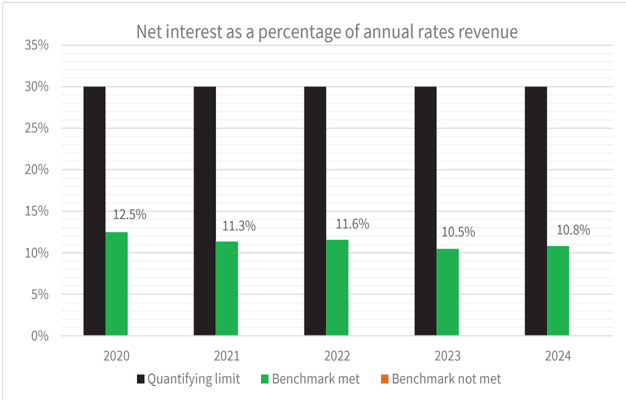
Net interest as a percentage of total revenue

The Council continues to comply with the net interest to total revenue ratio. The following graph compares the Council's actual ratio of net interest as a percentage of total revenue with a quantified limit stated in the financial strategy included each year in the Council's Plan. The quantified limit is 20 per cent and Council is expected to maintain net interest as a percentage of total operating revenue to less than or equal to the quantified limit.



Net interest as a percentage of annual rates revenue

The Council continues to comply with the net interest to annual rates revenue. The following graph compares the Council's actual ratio of net interest as a percentage of annual rates revenue with a quantified limit stated in the financial strategy included each year in the Council's Plan. The quantified limit is 30 percent and Council is expected to maintain net interest as a percentage of annual rates revenue to less than or equal to the quantified limit.

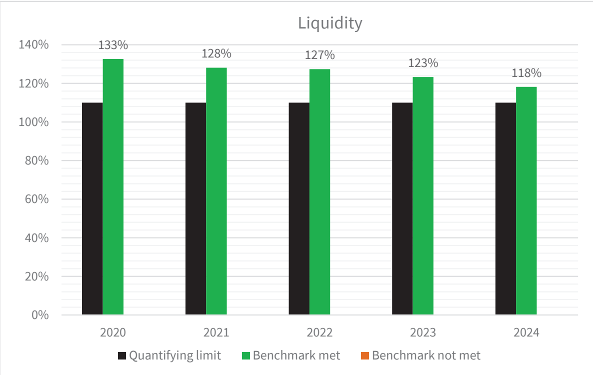


[1] Net debt is defined as total financial liabilities less financial assets (excluding trade and other receivables).

[2] Total revenue is total cash operating revenue excluding development contributions and non-government capital contributions.

Liquidity

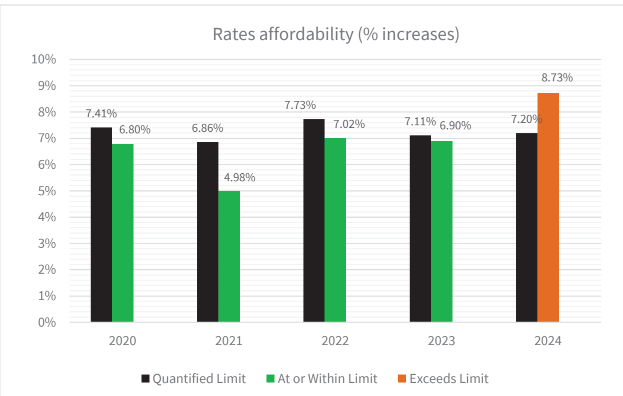
The Council continues to comply with the liquidity ratio. For debt affordability liquidity is calculated as total borrowings including committed but undrawn facilities plus liquid assets and investments compared to total term borrowings. The following graph compares the Council's actual liquidity with a quantified limit stated in the financial strategy included each year in the Council's Plan. The quantified limit is 110 per cent and Council is expected to maintain liquidity to be greater than the quantified limit.



Rates affordability benchmarks

The Council meets the rates affordability benchmark if its actual rates increase equals or is less than each quantified limit on rates increases.

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy as included in the Council's LTP set in 2021. The Council did not comply with the rates affordability benchmarks in 2024. The rates increase exceeded our planned 7% due to unexpected, significant costs for upgrading water and wastewater infrastructure, which weren't fully anticipated when Council set the long-term plan in 2021.

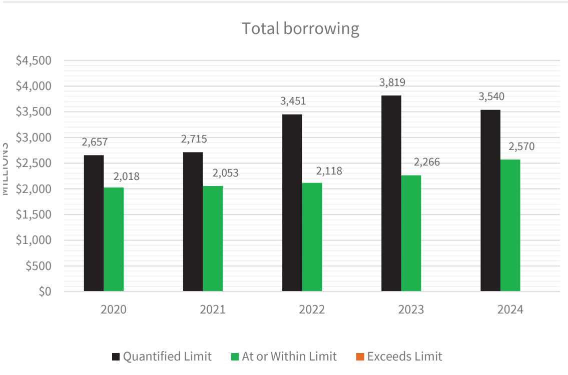


Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within the quantified limit on borrowing.

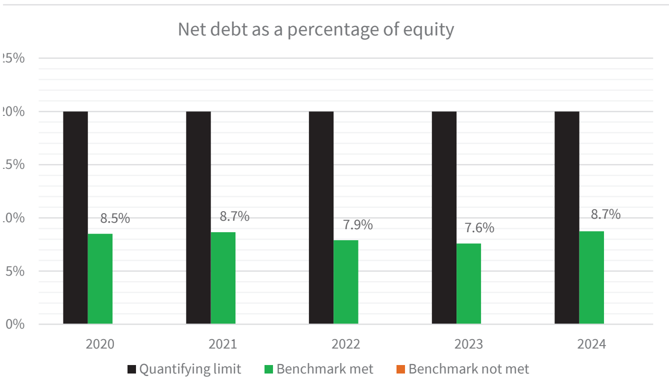
Total borrowing

The Council continues to comply with the total borrowing ratio. The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy as included in the Council's LTP.



Net debt as a percentage of equity

The Council continues to comply with the net debt to equity ratio. The following graph compares the Council's actual ratio of net borrowing as a percentage of equity with a quantified limit stated in the financial strategy as included each year in the Council's Plan. The quantified limit is 20 per cent and Council is expected to maintain net debt (comprised of total borrowings less liquid assets and investments excluding shares and advances to subsidiaries) as a percentage of equity to be less than or equal to the quantified limit.

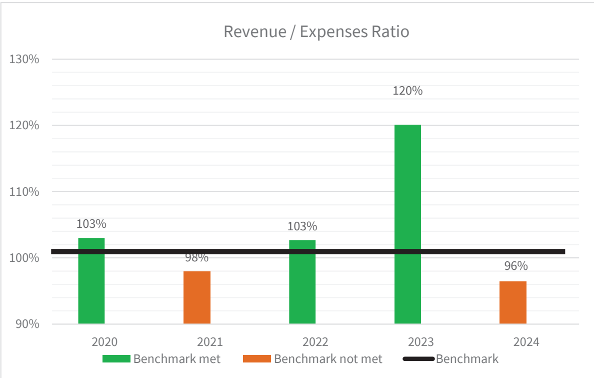


Balanced budget benchmark

The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

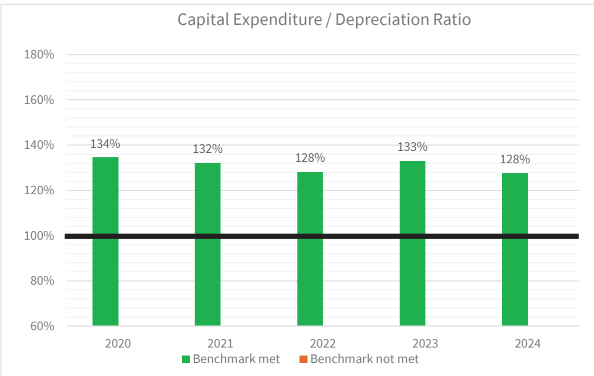
The benchmark is 100 per cent meaning that revenue equals expenses. The Council did not achieve the balanced budget benchmark in 2024 due to earlier than expected receipt of Crown Te Kaha funding in 2023, and materially higher depreciation due to asset revaluations in June 2023.



Essential services benchmark

The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. The Council continues to comply with the essential services ratio. The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services.

The benchmark is 100 per cent meaning that capital expenditure on network services equals depreciation on network services

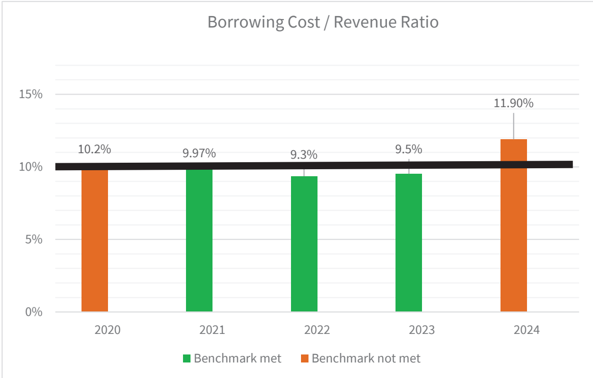


Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

Council will meet the debt servicing benchmark if its planned borrowing costs equal or are less than 10 per cent of its planned revenue.

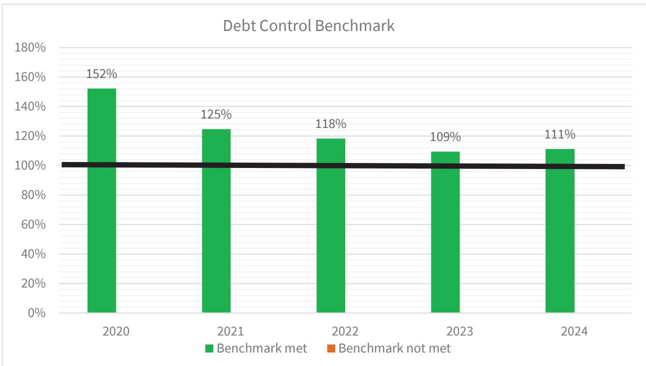
The primary reason for exceeding the debt servicing benchmark is Council's interest costs incurred in on lending to CCHL. These costs are recovered.



The Council did not comply with the debt servicing benchmark in 2020 and 2024.

Debt control benchmark

The Council continues to comply with the debt control ratio. The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). In line with the Department of Internal Affairs Practice Note released in April 2011, when reporting this ratio, if the Council's result was equal or better than plan, the Council is deemed to have met the benchmark and the ratio is recorded as "green".

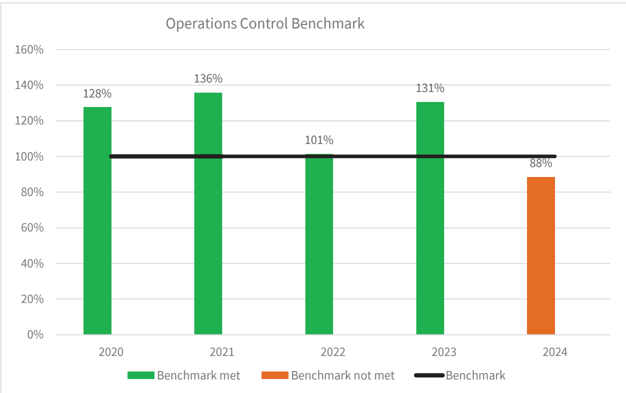


Operations control benchmark

The Council has historically met the operations control benchmark. However, it did not meet the benchmark this year. The graph below shows the actual net cash flow from operations compared to the planned net cash flow from operations.

The Council meets the benchmark when its actual net cash flow from operations is equal to or greater than its planned cash flow.

This year's shortfall is due to a grant for the One New Zealand Stadium at Te Kaha being received largely in 2023, instead of being spread across 2023 and 2024. This caused a 131% ratio in 2023 and an 88% ratio in 2024. If averaged across both years, the Council would have met the benchmark for both years.



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Christchurch City Council's annual report for the year ended 30 June 2024

The Auditor-General is the auditor of Christchurch City Council (the City Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Chantelle Gernetzky, using the staff and resources of Audit New Zealand, to report on the information in the City Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the City Council has complied with the requirements of schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the City Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 30 October 2024. This is the date on which we give our report.

Opinion on the audited information

Unmodified opinion on audited information, excluding the statement of service performance

In our opinion:

- the financial statements on pages 246 to 250 and pages 252 to 359:
    - o present fairly, in all material respects:
        - the City Council and the Group's financial position as at 30 June 2024;
        - the results of the operations and cash flows for the year ended on that date; and
    - o comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and

- the funding impact statement on page 251, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's annual plan;

- the statement about capital expenditure for each group of activities on pages 78 to 221 presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's long-term plan; and

- the funding impact statement for each group of activities on pages 78 to 221, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's long-term plan.

Qualified opinion on the statement of service performance

In our opinion, except for the possible effects of the matter described in the "Basis for our opinion on the audited information" section of our report, the City Council's statement of service performance (included in the activities and services statements) on pages 57 to 212:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, including:

    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and

    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and

- complies with generally accepted accounting practice in New Zealand.

Report on the disclosure requirements

We report that the City Council has:

- complied with the requirements of schedule 10 of the Act that apply to the annual report; and

- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 236 to 239, which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council's and the Group's audited information and, where applicable, the City Council's long-term plan and annual plans.

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

Basis for our opinion on the audited information

Statement of service performance

Our work was limited in relation to the performance measure: The average quality of ride on the sealed local road network, measured by smooth travel exposure

The City Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These mandatory performance measures include the average quality of ride on the sealed local road network measured by smooth travel exposure. This performance measure is important because road smoothness is indicative of the quality of service provided to the community.

We were unable to obtain assurance over the accuracy of traffic estimate data used to calculate the performance measure, because this estimate data is not sufficiently up to date, as described on page 136 of the annual report. As a result, the actual average quality of ride on the sealed local road network may differ materially from the result reported.

As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the accuracy of reported performance for this measure. 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. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this 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 opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit, the Council is responsible for assessing its ability to continue as a going concern. The Council 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 amalgamate or cease all of the functions of the City Council and the Group, or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit 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 this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the City Council's annual plan or long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Council and the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the City Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service performance (included in the activities and services statements), as a reasonable basis for assessing the levels of service achieved and reported by the City Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the City Council and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City Council and the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure, and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council 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 Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 56, 222 to 235 and 360 to 401, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, 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 City Council and the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: I*nternational Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1), issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out audit and assurance engagements for the City Council and subsidiary companies.

These audit and assurance engagements, as described in note 5 on page 266, are compatible with those independence requirements. Other than the audit and these engagements we have no relationship with or interests in the City Council or its subsidiaries and controlled entities.

Chantelle Gernetzky
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Statement of comprehensive revenue and expense
For the year ended 30 June 2024

	Note	Parent			Group	
		30 Jun 24 Actual $000	30 Jun 24 Plan $000	30 Jun 23 Actual $000	30 Jun 24 Actual $000	30 Jun 23 Actual $000
Rates revenue	2.1	692,460	688,777	636,864	674,752	619,285
Subsidies and grants	2.2	96,847	196,612	234,448	102,450	235,570
Development and financial contributions	2.3	35,177	23,112	54,956	35,178	54,956
Fees and Charges	2.4	81,682	124,722	79,466	81,399	79,466
Finance revenue	2.5	54,324	56,062	46,257	21,258	19,158
Vested Assets and other revenue	2.6	223,458	74,631	352,079	1,594,736	1,661,937
Share of associate and JV's surplus/(deficit)	19	-	-	-	5,657	6,081
Total revenue		**1,183,948**	**1,163,916**	**1,404,070**	**2,515,430**	**2,676,453**
Depreciation and amortisation	10,11	345,176	332,791	318,014	542,819	494,799
Finance costs	3	129,157	131,147	113,039	198,349	176,268
Personnel costs	24.1	210,784	186,975	211,729	594,275	560,692
Other expenses	4	411,988	419,639	336,621	1,031,221	942,288
Net (gains) / losses	6.1	38,015	-	8,232	25,925	10,550
Total operating expenses		**1,135,120**	**1,070,552**	**987,635**	**2,392,589**	**2,184,597**
Surplus before income tax expense		48,828	93,364	416,435	122,841	491,856
Income tax expense/(credit)	9.1	(548)	(24,445)	1,606	107,711	32,435
Surplus from Continuing operations		49,376	117,809	414,830	15,130	459,421
Surplus from Discontinued operations		-	-	-	1,678	-
Surplus for the period		49,376	117,809	414,830	16,808	459,421
Other comprehensive revenue and expense						
Property, plant and equipment valuation movement	10	159,502	1,099,562	732,643	321,143	1,011,587
Revaluation of carbon emissions units		4,230	-	-	4,336	(572)
Unrealisd gains/(losss) from:						
Investment revaluation gain/(loss)	6.2	223,406	-	530,188	400	415
Cash flow hedges gain/(loss)	6.2	(13,215)	-	37,153	(36,962)	56,964
Income tax relating to components of other comprehensive revenue and expense	9.1	(450)	-	-	(23,266)	(82,937)
Transfers and other		-	-	-	517	1,769
Total other comprehensive revenue and expense		373,473	1,099,562	1,299,984	266,168	987,226
Total comprehensive revenue and expense		**422,849**	**1,217,371**	**1,714,814**	**282,976**	**1,446,647**
Surplus for the period attributable to:						
Parent entity		49,376	117,809	414,830	11,316	447,962
Non controlling interests		-	-	-	5,492	11,459
Total surplus for the period		**49,376**	**117,809**	**414,830**	**16,808**	**459,421**
Total comprehensive revenue and expense attributable to:						
Equity holders of the parent		422,849	1,217,371	1,714,814	262,994	1,403,000
Non controlling interests		-	-	-	19,982	43,647
Total comprehensive revenue and expense		**422,849**	**1,217,371**	**1,714,814**	**282,976**	**1,446,647**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of changes in net assets/equity
For the year ended 30 June 2024

Parent	Asset realuation reserve $000	Fair Value thru OCRE reserve $000	Hedging reserve $000	Reserve Fund $000	Capital reserve $000	Acc. compr. revenue & expense $000	Attributable to equity holders of parent $000	Non Controlling interests $000	Total $000
Balance as at 1 July 2022	6,800,403	2,543,926	3,499	199,378	1,733,853	4,634,408	15,915,467	-	15,915,467
Surplus for the period	-	-	-	-	-	414,830	414,830	-	414,830
OCRE for the year	732,642	530,188	37,153	-	-	-	1,299,983	-	1,299,983
Transfer to/from acc. compr. Revenue & expense	-	-	-	113,953	-	(3,657)	110,296	-	110,296
Transfer to/from reserves	(19,443)	-	-	(90,853)	-	-	(110,296)	-	(110,296)
Balance as at 1 July 2023	**7,513,602**	**3,074,114**	**40,652**	**222,478**	**1,733,853**	**5,045,581**	**17,630,280**	**-**	**17,630,280**
Surplus for the period	-	-	-	-	-	49,376	49,376	-	49,376
OCRE for the year	163,731	223,406	(13,214)	-	-	(450)	373,473	-	373,473
Transfer to/from acc. compr. revenue & expense	9,935	(3,462)	(17)	121,189	-	(6,456)	121,189	-	121,189
Transfer to/from reserves	(37,775)	-	-	(125,556)	-	42,142	(121,189)	-	(121,189)
Elimination of Mayors Welfare Reserve Fund from CCC				(1,262)			(1,262)	-	(1,262)
Balance as at 30 June 2024	**7,649,493**	**3,294,058**	**27,421**	**216,849**	**1,733,853**	**5,130,193**	**18,051,867**	**-**	**18,051,867**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of changes in net assets/equity *(continued)*
For the year ended 30 June 2024

Group	Asset revaluation reserve $000	Fair Value thru OCRE reserve $000	Hedging reserve $000	Reserve Fund $000	Capital reserve $000	Acc. compr. revenue & expense $000	Attributable to equity holders of parent $000	Non Controlling interests $000	Total $000
Balance as at 1 July 2022	7,845,666	25,130	45,562	206,357	1,722,090	5,492,071	15,336,876	429,634	15,766,510
Surplus for the period	-	-	-	-	-	447,962	447,962	11,459	459,421
OCRE for the year	902,331	415	50,994	-	84	1,685	955,509	31,717	987,226
Transfer to/from acc. compr. revenue & expense	(1,290)	-	-	113,953	-	(3,657)	109,006	-	109,006
Transfer to/from reserves	(19,443)	-	-	(91,874)	-	2,311	(109,006)	-	(109,006)
Other items	(8,308)	-	-	-	-	18,428	10,120	154	10,274
Dividends paid or provided for	-	-	-	-	-	-	-	(7,756)	(7,756)
Balance as at 1 July 2023	**8,718,956**	**25,545**	**96,556**	**228,436**	**1,722,174**	**5,958,800**	**16,750,467**	**465,208**	**17,215,675**
Surplus for the period	-	-	-	274	-	11,042	11,316	5,492	16,808
OCRE for the year	284,801	404	(29,825)	-	(30)	(3,673)	251,677	14,491	266,168
Transfer to/from acc. compr. revenue & expense	9,935	(3,462)	(17)	121,189	-	(6,730)	120,915	-	120,915
Transfer to/from reserves	(37,775)	-	-	(124,270)	-	41,130	(120,915)	-	(120,915)
Other items	(2,635)	-	-	95	-	5,337	2,797	152	2,949
Dividends paid or provided for	-	-	-	-	-	-	-	(10,813)	(10,813)
Balance as at 30 June 2024	**8,973,282**	**22,487**	**66,714**	**225,724**	**1,722,144**	**6,005,906**	**17,016,257**	**474,530**	**17,490,787**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of financial position

As at 30 June 2024

	Note	Parent			Group	
		30 Jun 24 Actual	30 Jun 24 Plan	30 Jun 23 Actual (Restated)	30 Jun 24 Actual	30 Jun 23 Actual (Restated)
		$000	$000	$000	$000	$000
Current assets						
Cash and cash equivalents	16	127,347	100,108	160,694	222,551	267,003
Receivables and prepayments	7	156,240	80,182	91,874	310,163	251,198
Investment in CCOs and other similar entities	18	138,626	-	133,679	5,710	7,779
Other financial assets*	20.1	189	22,169	32,833	39,706	51,522
Inventories	17	3,222	3,129	3,742	35,716	34,891
Assets held for sale	14	11,648	-	187	11,658	235
Other assets		-	-	-	22	4,847
Total current assets*		**437,272**	**205,588**	**423,009**	**622,341**	**617,475**
Non-current assets						
Receivables and prepayments	7	1,048	-	32,043	6,992	36,605
Investments in associates and joint arrangements	19	6,196	-	6,196	12,985	12,095
Investment in CCOs and other similar entities	18	4,300,719	4,272,332	4,054,087	58,132	50,791
Other financial assets*	20.1	74,334	128,622	84,997	91,597	131,211
Inventories	17	-	-	-	6,045	3,875
Property, plant and equipment	10	15,914,876	16,218,829	15,406,288	20,987,864	20,259,040
Investment property	15	-	-	-	803,874	768,622
Intangible assets	11.1	99,948	90,556	96,701	197,480	193,220
Deferred tax assets	9.2	2,355	-	1,916	19,135	51,353
Other assets		-	-	-	-	106
Total non-current assets*		**20,399,476**	**20,710,339**	**19,682,228**	**22,184,104**	**21,506,918**
Total assets*		**20,836,748**	**20,915,927**	**20,105,237**	**22,806,445**	**22,124,393**
Current liabilities						
Creditor and other payables	8	133,628	123,035	134,660	250,673	284,483
Borrowings and other financial liabilities*	20.3	300,730	265,200	381,671	859,884	797,694
Employee entitlements	24.2	25,459	26,437	23,408	68,009	61,444
Provisions	25	5,795	2,499	3,878	7,978	6,500
Other liabilities	26	25,118	-	20,999	53,533	54,385
Total current liabilities*		**490,730**	**417,171**	**564,616**	**1,236,892**	**1,204,506**
Non-current liabilities						
Borrowings and other financial liabilities*	20.3	2,269,875	2,394,382	1,884,131	3,356,664	3,066,753
Employee entitlements	24.2	2,406	3,053	2,686	6,307	6,417
Deferred tax liabilities	9.2	3,861	3,718	3,522	691,596	605,667
Provisions	25	18,009	13,882	20,002	20,962	22,493
Other liabilities	26	-	-	-	3,237	2,882
Total non-current liabilities*		**2,294,151**	**2,415,035**	**1,910,341**	**4,078,766**	**3,704,212**
Total liabilities*		**2,784,881**	**2,832,206**	**2,474,957**	**5,315,658**	**4,908,718**
Net assets		**18,051,867**	**18,083,721**	**17,630,280**	**17,490,787**	**17,215,675**
Equity						
Parent entity interest		5,130,193	5,057,878	5,045,581	6,005,906	5,958,800
Non controlling interest		-	-	-	474,530	465,208
Reserves		12,921,674	13,025,843	12,584,699	11,010,351	10,791,667
Total equity		**18,051,867**	**18,083,721**	**17,630,280**	**17,490,787**	**17,215,675**

*The comparative balances have been restated to reflect a correction of the prior year. Refer to notes 20.1, 20.3, 20.4, 20.5 and 20.6c.

The accompanying notes form part of and are to be read in conjunction with these financial statements

Cash flow statement
For the year ended 30 June 2024

	Note	Parent			Group	
		30 Jun 24 Actual $000	30 Jun 24 Plan $000	30 Jun 23 Actual $000	30 Jun 24 Actual $000	30 Jun 23 Actual $000
Cash flows from operating activities						
Receipts from rates revenue		691,635	688,777	621,578	673,928	603,999
Receipts from other revenue		288,678	344,017	436,773	1,756,504	1,748,471
Interest received		52,596	53,063	41,275	18,213	14,538
Dividends received		55,515	56,823	39,610	4,815	7,210
Subvention receipts		31,811	24,445	4,473	-	-
Payments to suppliers and employees		(612,650)	(608,820)	(556,966)	(1,645,874)	(1,482,015)
Interest and other finance costs paid		(126,708)	(131,147)	(108,215)	(202,739)	(176,246)
Income tax paid		(3)	-	-	(10,603)	(14,328)
Net GST movement		(8,308)	-	8,625	(8,428)	8,747
Other		-	-	-	10,412	4,243
Net cash provided by/(used in) operating activities	28.1	**372,566**	**427,158**	**487,153**	**596,228**	**714,619**
Cash flows from investing activities						
Proceeds from sale of investment		87,728	21,178	189,526	70,586	377,077
Proceeds from repayment loans and advances		127,419	-	186,060	8,320	58
Proceeds from sale of fixed assets		7,514	1,544	15,501	12,446	34,735
Insurance recoveries		-	-	47,667	-	47,667
Payment for investment		(65,921)	(282,520)	(156,523)	(59,118)	(388,591)
Payment for purchase of fixed assets		(715,172)	(461,682)	(570,576)	(961,725)	(855,001)
Amounts advanced to related parties		(151,745)	-	(353,017)	145	(623)
Payment for investment properties		-	-	-	(12,065)	(41,362)
Proceeds from sale of businesses		-	-	-	2,344	-
Payment for goodwill		-	-	-	(11,713)	(11,666)
Other		-	-	-	(15,104)	14,333
Net cash (used in)/provided by investing activities		**(710,177)**	**(721,480)**	**(641,362)**	**(965,884)**	**(823,373)**
Cash flows from financing activities						
Proceeds from borrowing		680,200	372,728	523,800	1,193,027	742,656
Repayment of borrowings		(371,149)	(78,753)	(372,283)	(846,305)	(605,729)
Repayment of finance leases		(4,248)	-	(3,921)	(10,712)	(8,833)
Dividends paid - non controlling interests		-	-	-	(10,813)	(7,756)
Other		4	-	-	7	(2)
Net cash provided by/(used in) financing activities	28.2	**304,807**	**293,975**	**147,596**	**325,204**	**120,336**
Net increase/(decrease) in cash and cash equivalents		(32,804)	(347)	(6,613)	(44,452)	11,582
Cash eliminated from Parent due to consolidation of CCO (Mayors Welfare Fund)		(543)	-	-	-	-
Cash and cash equivalents at beginning of year		160,694	100,455	167,307	267,003	255,421
Cash and cash equivalents at end of year	**16**	**127,347**	**100,108**	**160,694**	**222,551**	**267,003**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Funding impact statement (whole of Council)
For the year ended 30 June 2024

	2024 Actual	2024 Annual Plan	2023 Annual Report	2023 Annual Plan
Sources of operating funding	**$000**	**$000**	**$000**	**$000**
General rates, uniform annual general charge, rates penalties	397,968	396,286	387,994	385,169
Targeted rates	294,491	292,491	248,870	249,630
Subsidies and grants for operating purposes	42,321	41,240	34,592	27,392
Fees and charges	119,407	109,440	115,297	108,652
Interest and dividends from investments	109,839	109,886	85,866	67,439
Local authorities fuel tax, fines, infringement fees, and other receipts	49,916	40,622	20,776	20,137
Total operating funding (A)	**1,013,942**	**989,965**	**893,395**	**858,419**
Applications of operating funding				
Payments to staff and suppliers	561,127	545,460	496,862	481,559
Finance costs	129,156	131,147	113,039	100,893
Other operating funding applications	61,100	61,154	52,725	55,904
Total applications of operating funding (B)	**751,383**	**737,761**	**662,626**	**638,356**
Surplus of operating funding (A-B)	**262,559**	**252,204**	**230,769**	**220,063**
Sources of capital funding				
Subsidies and grants for capital expenditure	61,437	152,871	204,159	129,992
Development and financial contributions	35,178	23,112	54,956	24,115
Increase (decrease) in debt	294,291	293,975	147,584	118,226
Gross proceeds from sale of assets	7,648	1,544	18,087	8,008
Other dedicated capital funding	27,095	1,176	87,445	1,150
Total sources of capital funding (C)	**425,649**	**472,678**	**512,231**	**281,491**
Application of capital funding				
Capital expenditure				
- to replace existing assets	237,697	225,345	239,152	248,023
- to improve the level of service	394,968	448,376	301,345	258,600
- to meet additional demand	70,047	72,686	75,796	71,684
Increase (decrease) in reserves	(4,367)	(2,340)	23,149	(72,753)
Increase (decrease) of investments	(10,137)	(19,185)	103,558	(4,000)
Total applications of capital funding (D)	**688,208**	**724,882**	**743,000**	**501,554**
Surplus (deficit) of capital funding (C-D)	**(262,559)**	**(252,204)**	**(230,769)**	**(220,063)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**	**-**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Financial statement notes – contents

1 Basis of reporting

Reporting entity

The Council (the Parent) is the Christchurch City Council and consolidated subsidiaries are together the Group.

The Council is a territorial authority governed by the Local Government Act 2002. The consolidated entity consists of the entities listed in the Group structure section.

The primary objective of the Council is to provide goods or services for the community or for social benefit rather than to make a financial return. Accordingly, the Council has designated itself a public benefit entity (PBE) for financial reporting purposes. Council is therefore subject to policies and exemptions that may not apply to other entities in the Group. Where PBE treatment of specific issues differs from the usual treatment, this fact is noted in each policy.

The financial statements of the Council are for the year ended 30 June 2024. The financial statements were approved by the Council on 30 October 2024.

Statement of compliance

The financial statements and service performance information of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6 Section 98 and Section 111, and Part 3 of Schedule 10, which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with the Public Benefit Entity Accounting Standards (PBE Standards), and other applicable financial reporting standards, as appropriate for Tier 1 Public Sector PBEs for periods beginning on or after 1 July 2014.

Going concern

The Council is in a net surplus position of $49 million (2023: $415 million) for the current financial year ended 30 June 2024 and, as of that date, the Council had net current liabilities (current liabilities less cash and cash equivalents) of $363 million (2023: $404 million). As at 30 June 2024, the Parent met most of its prudential ratios. Management expects cash operating revenue to be on par with 2023/24 year in financial year 2024/25.

Statement of significant accounting policies (nga kaupapahere kaute)

Basis of preparation

<u>Measurement base</u>
The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of the Council and Group is New Zealand dollars.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. The accrual basis of accounting has been used unless otherwise stated.

Except where specified, the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

<u>Foreign currency transactions</u>
Transactions in foreign currencies are translated at the foreign exchange rate ruling on the day of the transaction.
Foreign currency monetary assets and liabilities at balance date are translated to NZ dollars at the rate ruling at that date. Foreign exchange differences arising on translation are recognised in the surplus or deficit, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to NZ dollars at rates ruling at the dates the fair value was determined.

Goods and Services Tax (GST)

The financial statements are prepared exclusive of GST with the exception of receivables and payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

The net GST paid to, or received from the Inland Revenue Department, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are shown exclusive of GST.

Cost allocations

The costs of all internal service activities are allocated or charged directly to external service type activities. External service activities refer to activities which provide a service direct to the public. Internal service activities provide support for the external service activities.

Where the recipient of an internal service can be identified, the cost recovery is made by way of a direct charge. Where this is not practical or the linkage is indirect, the costs are allocated by way of corporate overhead.

Corporate overhead is allocated either directly or indirectly to external service activities as follows:

- Property costs: pro rata based on the number of desks held for use for each unit.
- IT costs: pro rata based on the total number of active IT users.
- Human Resources and Payroll Services cost: pro rata based on the total number of planned employee work hours.
- All other costs: pro rata based on the gross cost of external service activities.

Plan values disclosed

The plan values shown in the financial statements represent the 2023/24 budget included in the 2023/24 Annual Plan adopted on 27 June 2023.

Net Assets / Equity

Net Assets or equity is the community's and ratepayers' interest in the Council. It is measured as the difference between total assets and total liabilities. The asset revaluation reserve is recorded at fair value through other comprehensive revenue and expense reserve. The hedging revaluation reserve is recorded at fair value through other comprehensive revenue and expense reserve.

Significant items during the period

Tax depreciation on buildings

On 28 March 2024 the Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) Act passed into law. The Act removed depreciation deductions for tax purposes for commercial long-life buildings with an estimated useful life of 50 years or more, with effect from the 2024/25 income tax year. Application of the enacted tax law required an immediate write down of the tax asset base in the 2023/2024 income tax year. This has resulted in a $67m increase in the recognition of deferred tax in the Statement of Comprehensive Income and a corresponding increase to the deferred tax liability recognised in the Statement of Financial Position for the Group.

Removal of MWF from CCC Parent

In 2024, CCC Parent removed Mayors Welfare Fund (MWF) as part of the CCC Parent and it brought it in as a CCO going forward. As a result, the Reserves Funds relating to MWF of $1.26m which was previously recorded in CCC Parent's balance sheet was reversed in 2024. This transaction is reflected in the Statement of Changes in Equity as an Elimination of Mayors Welfare Reserve Fund from CCC.

Reclassification of comparative amounts and other information

Certain comparative amounts and other information in the financial statements have been reclassified or corrected to better comply with accounting standards requirements and improve the readability of the financial statements. This includes the change in presentation of certain comparative amounts and other information in the Statement of financial position and Statement of comprehensive income along with the relevant note disclosures. For other restatements and corrections in prior year information, refer to the explanations disclosed in notes 20.1, 20.3, 20.4, 20.5 and 20.6c.

New Accounting standards and interpretations

Changes in accounting policy (Kaupapahere kaute) and disclosures

The following new standards, interpretations and amendments have been issued and effective as at 30 June 2024. Council has adopted these standards and interpretations.

PBE IPSAS1 Disclosure of Fees for Audit Firms' Services

The standard requires an entity to disclose the fees incurred for services received from the audit firm and a description of each service into specified categories. Note 5 Renumeration of auditors has been expanded to include the additional required information with the adoption of PBE IPSAS 1.

Principles of consolidation

Subsidiaries

Subsidiaries include special purpose entities and those entities where the Council has the power to govern financial and operating policies, generally accompanying a shareholding of at least half of the voting rights. The potential to exercise or convert voting rights are considered when assessing whether the Council controls another entity.

From July 2019 the Ōtautahi Community Housing Trust is included in the consolidated group of the Council. The Ōtautahi Community Housing Trust is not a Council-controlled organisation and is included in the group as it meets the definition of a controlled entity pursuant to PBE IPSAS 35 Consolidation accounting standard only.

Subsidiaries are fully consolidated from the date on which control is transferred to the Council and de-consolidated from the date of control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries.

Intercompany transactions, balances and unrealised gains on transactions are eliminated on consolidation. Unrealised losses are also eliminated, unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Council. This includes the application of PBE accounting standards for those entities reporting under NZ IFRS.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive revenue and expense and the statement of financial position.

Critical judgements, estimates and assumptions in applying Council's accounting policies

Preparing financial statements to conform to PBE IPSAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions have been based on historical experience and other factors that are believed to be reasonable under the circumstances. These estimates and assumptions have formed the basis for making judgements about the carrying values of assets and liabilities, where these are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are regularly reviewed. Any change to estimates is recognised in the period if the change affects only that period, or in future periods if it also affects future periods.

In the process of applying these accounting policies, management has made the following judgements, estimates and assumptions that have had the most significant impact on the amounts recognised in these financial statements:

Parent

The valuation of the Council's investments in subsidiary and associated companies at fair value has a material impact on the amounts recognised in these financial statements and involves a significant amount of judgement. Independent valuers are commissioned to perform these valuations on a periodic (currently annually) basis, at intervals sufficient to ensure that the fair value of these investments does not differ materially from their carrying value (Note 18.4).

The valuation of the Council's facilities and infrastructural assets at optimum depreciated replacement cost involves a significant amount of judgement in estimating the replacement unit cost, asset condition (for underground assets) and the remaining useful life of the assets. Independent valuers were commissioned to perform the valuation and valuations of these asset classes will continue on a regular basis (currently three yearly) to ensure that the optimum depreciated replacement cost does not differ materially from their carrying value (Note 10.4).

The non-current provisions note discloses an analysis of Council's exposure in relation to estimates and uncertainties surrounding the landfill aftercare and building related claims provisions (Note 25.1).

Management are required to exercise judgement in calculating provisions, assessing the level of unrecoverable work in progress, assessing expected credit loss and calculating provisions for employee benefits.

Group

The determination of whether entities which the Council has an interest in are controlled for accounting purposes requires management to exercise judgement to determine whether the nature of the interest and the benefits, rights and obligations which accrue are sufficient for Council to control the entity.

Management of subsidiary companies determine useful lives for particular assets. In making this assessment, they make judgements about the expected length of service potential of the asset, the likelihood of the asset becoming obsolete as a result of technological advances and the likelihood of the company ceasing to use the asset in its business operations.

Management of the subsidiary companies assess whether individual assets or groupings of related assets (which generate cash flows co-dependently) are impaired by estimating the future cash flows that those assets are expected to generate. Assumptions such as rates of expected revenue growth or decline, expected future margins and the selection of an appropriate discount rate for discounting future cash flows are required.

Classification of investment property

CIAL use judgement in identifying which components of property, plant and equipment are to be reclassified as investment property. A key factor for this classification is whether the property is used for aircraft-related activities. The classification has implications as to whether revaluation gains and losses are recognised through net surplus or deficit or through other comprehensive revenue and expense.

Valuation of property, plant and equipment and investment property

Management of most of the subsidiary companies use independent valuers to determine the fair value of certain assets. The valuation process requires the use of assumptions and estimates which are based on market conditions at the time. Any changes in market conditions subsequent to balance date will impact future valuations. A movement in the fair value of an asset is subsequently recorded within the statement of comprehensive income, depending on the asset classification.

The assets of LPC have been deemed as being inextricably linked and are therefore treated as a single cash generating unit (CGU) for valuation and impairment purposes.

Impairment assessments are completed annually on various asset classes. An impairment assessment measures the recoverable amount of an asset based on projections and estimates of future cash flows specifically related to the asset. An impairment charge is recognised for any asset with a carrying value in excess of its recoverable amount.

Valuation of investment in subsidiaries

Independent experts are appointed each year to value the investments. The valuation relies, in part, on publicly available information, management forecasts and other information provided by the respective management groups in relation to market conditions.

The valuations are based on the prevailing economic, market and other conditions as at 30 June 2024.

2 Revenue

Accounting Policy / Kaupapahere Kaute

Revenue is measured at fair value.

Revenue comprises rates, revenue from operating activities, investment revenue, gains and finance revenue and is measured at the fair value of consideration received or receivable. Revenue may be derived from either exchange or non-exchange transactions.

Revenue from exchange transactions arises where the Group provides goods or services to another entity and directly receives approximately equal value (primarily in the form of cash) in exchange.

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. These are transactions where the Group receives value from another party without giving approximately equal value directly in exchange for the value received.

Approximately equal value is considered to reflect a fair or market value, which is normally akin with an arm's length commercial transaction between a willing buyer and willing seller. Some services which the Parent provides for a fee are charged below market value as they are subsidised by rates. Other services operate on a cost recovery or breakeven basis which may not be considered to reflect a market return. A significant portion of the Parent's revenue will be categorised non-exchange.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Group satisfies an obligation which has been recognised as a liability, it reduces the carrying amount of the liability and recognises an amount of revenue equal to the reduction.

Finance revenue
Finance revenue comprises interest receivable on funds invested and on loans advanced. Finance revenue, is recognised in surplus or deficit as it accrues, using the effective interest rate method.

2.1 Rates revenue

Accounting Policy / Kaupapahere Kaute

Rates
Rates are set annually by a resolution from the Parent and revenue is recognised in surplus or deficit at the time of invoicing.

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Parent considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivable and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Parent has received an application that satisfies its Rates Remission Policy.
- Rates collected on behalf of the Canterbury Regional Council (Environment Canterbury or ECAN) are not recognised in the financial statements, as the Parent is acting as an agent for ECAN.

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
General rates	392,588	383,958	382,460	373,294
Rates penalties	6,037	4,036	6,037	4,036
Targeted rates attributable to activities:				
- water	95,045	75,000	92,593	72,916
- excess water charges	5,359	4,379	5,220	4,257
- land drainage	48,796	44,133	47,537	42,907
- sewerage	108,151	90,565	105,361	88,049
- active travel	3,311	3,244	3,226	3,154
- waste minimisation	28,504	28,767	27,768	27,968
- fire service	120	118	117	115
- cathedral	1,079	1,058	1,052	1,028
- Akaroa medical	-	87	-	85
- heritage	2,671	749	2,602	728
- arts centre	589	590	574	573
- central city business association	210	180	205	175
Total rates revenue	**692,460**	**636,864**	**674,752**	**619,285**
Less remissions	(5,430)	(1,907)	(5,430)	(1,907)
Rates revenue net of remissions	**687,030**	**634,957**	**669,322**	**617,378**

Commentary / Korerotanga

The increase in annual rates collected by Parent reflects the 8.73% increase as part of the 2023/24 Annual Plan and growth in rates units.

The annual rates revenue of the Parent for the year ended 30 June 2024 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is the "Rates revenue net of remissions" shown above.

Rating base information

Rating units within the district or region of the local authority at the end of the preceding financial year.

	30 Jun 23	**30 Jun 22**
	$000	**$000**
Number of rating units	182,536	179,264
Total land value of rating units	86,463,963,300	50,547,608,600
Total capital value of rating units	172,836,327,565	118,449,241,750

Commentary / Korerotanga

The rating database as at 30 June 2023 is used to determine the rates revenue for the 2023/24 year. There was a citywide revaluation in August 2022, which caused the large increase in 2023. This information is verified with Quotable Value Limited.

2.2 Subsidies and grants

Accounting Policy / Kaupapahere Kaute

Waka Kotahi (NZ Transport Agency) roading subsidies
The Parent receives funding assistance from Waka Kotahi, which subsidies part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Grant revenue (including Waka Kotahi (NZ Transport Agency))
Grants revenue is recognised on receipt, except to the extent that a liability is also recognised in respect of the same inflow. A liability is recognised when the resources received are subject to a condition such as an obligation to return those resources received in the event that the conditions attached are breached. As the conditions are satisfied, the carrying amount of the liability is reduced and an equal amount is recognised as revenue. Grant revenue is categorised as non-exchange revenue.

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
Waka Kotahi (NZTA) roading subsidies	54,485	40,622	54,485	40,621
One New Zealand Stadium at Te Kaha	13,021	142,981	13,021	142,981
Department of Internal Affairs (DIA) three water reforms	755	3,089	755	3,089
Other grants and subsidies	28,586	47,756	34,189	48,879
Total subsidies and grants	**96,847**	**234,448**	**102,450**	**235,570**

Commentary / Korerotanga

Other grants and subsidies include funding received for Major Cycleway Route ($17.3 million), Coastal Pathway ($1.5 million).

2.3 Development and financial contributions

Accounting Policy / Kaupapahere Kaute

Development contributions
Development contributions are classified as exchange revenue and recognised as revenue in the year in which they are received.

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
Reserves	3,613	5,671	3,613	5,671
Waste Water	11,129	21,955	11,129	21,955
Water Supply	4,802	5,400	4,802	5,400
Storm Water	5,009	8,166	5,009	8,166
Road Network	8,724	11,219	8,724	11,219
Other assets	1,900	2,545	1,901	2,545
Total development and financial contributions	**35,177**	**54,956**	**35,178**	**54,956**

Commentary / Korerotanga

Residential construction on development sites around Christchurch continued in 2023/24 resulting in a mix of cash development contributions received by the Parent for future growth of the infrastructure and services networks.

2.4 Fees and Charges

Accounting Policy / Kaupapahere Kaute

Building and resource consent fees
Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees
Entrance fees are fees charged to users of the Council's local facilities, such as the zoo, pools, museum, and gallery. Revenue from entrance fees is recognised upon entry to such facilities.

Landfill fees
Fees for disposing of waste at the Council's landfill are recognised upon waste being disposed by users.

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
Building and resource consent charges	35,882	35,768	35,882	35,768
Tradewaste	5,751	5,100	5,751	5,100
Swimming pool, fitness and other recreational centers revenue	18,297	21,445	18,297	21,445
Parking fees	9,115	9,984	9,115	9,984
Sale of goods	6,493	7,001	6,493	7,001
Other fees and charges	6,144	316	5,861	168
Total fees and charges	**81,682**	**79,615**	**81,399**	**79,466**

Commentary / Korerotanga

Fees and charges revenue are primarily sourced from building and resource consent charges as well as recreation, sports and fitness centers revenue.

Parking fees consists of casual and reserved parking fees as well as parking Infringement fees/Fines.

Sale of goods includes product sales, sale of stock, publications and information.

2.5 Finance Revenue

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
Interest earned from financial assets measured at amortised cost				
- cash and term deposits	6,845	9,316	17,107	16,644
- related party loans	39,397	29,440	-	-
- LGFA borrower notes	2,964	1,997	2,964	1,997
Interest earned from financial assets measured at FVTOCRE				
- listed bonds (CCHL)	439	439	-	-
- related party loans	3,491	4,549	-	-
- community loans	1,187	516	1,187	516
Total finance revenue	**54,324**	**46,257**	**21,258**	**19,158**

Commentary / Korerotanga

Interest earned is recognised using the effective interest rate method. All interest revenue is recognised in the period in which it is earned.

2.6 Vested Assets and other revenue

Accounting Policy / Kaupapahere Kaute

Vested assets

Vested assets are a physical asset received for no or minimal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Parent and goods donated are recognised as revenue when control over the asset is obtained. Vested assets and donated goods are categorised as non-exchange revenue.

Sale of goods and services

Sale of goods and services include electricity distribution revenue, airport service revenue, port services revenue, gross telecommunications revenue, waste and recycling services revenue and other sale of goods and services from Council subsidiaries.

Revenue is recognised in surplus or deficit when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in surplus or deficit in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods or continuing management involvement with the goods.

Construction contracts

Revenue is recognised as soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in surplus or deficit in proportion to the stage of completion of the contact. The stage of completion is assessed by reference to surveys of work performed. An expected loss on a contract is recognised immediately in surplus or deficit.

Rental revenue

Rental revenue from investment and other property (net of any incentives given to lessees) is recognised in surplus or deficit on a straight-line basis over the term of the lease. It is classified as exchange revenue where it is considered to reflect a market/arm's length rental and is allocated over the lease term on a systematic basis. This revenue allocation is based on a pattern reflecting a constant periodic return on the Parent's net investment in the finance lease.

Dividend revenue

Dividend revenue is classified as exchange revenue and is recognised when the shareholder's right to receive payment is established.

Agencies

The Parent collects monies for many organisations. Where collections are processed through Parent's books, any monies held are shown as accounts payable in the statement of financial position. Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

Volunteers

The Parent receives the benefit of many services provided by volunteers. These services are greatly valued. They are, however, difficult to measure in monetary terms and for this reason, are not included in the financial statements, as their value from an accounting point of view is considered immaterial in relation to total expenditure.

	Parent		Group	
	30 Jun 24 $000	30 Jun 23 $000	30 Jun 24 $000	30 Jun 23 $000
Vested assets	45,863	163,380	45,863	163,380
Sale of goods and services	-	-	589,223	580,816
Construction contract revenue	-	-	665,739	622,146
Rental revenue on investment property	-	-	55,489	47,574
Rental revenue	32,454	31,266	103,229	78,881
Dividends	55,515	39,610	128	91
Subvention receipts	31,811	4,473	-	-
Insurance receipts	24,732	83,707	24,732	83,707
MSD Wage Subsidy	-	-	22	163
Sundry revenue	33,083	29,494	110,311	85,179
Total vested assets and other revenue	**223,458**	**351,930**	**1,594,736**	**1,661,937**

Commentary / Korerotanga

Vested assets relate to infrastructure transferred to the Parent from residential and commercial developments. The 2023 result included transfer from Otakaro Avon River Corridor of $122 million.

Parent's rental revenue includes rent from the social housing portfolio from the Ōtautahi Community Housing Trust.

Dividends are primarily sourced from CCHL and Transwaste Canterbury Limited.

Parent's insurance receipts relate to recognition of policy entitlements for the CWTP trickling filter fire, and settlement of a long running claim.

3 Finance costs

Accounting Policy / Kaupapahere Kaute

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method. The interest expense component of finance lease payments is recognised in surplus or deficit using the effective interest rate method. Interest payable on borrowings is recognised as an expense in surplus or deficit as it accrues.

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
Interest on borrowings	123,264	106,871	157,613	137,174
Interest on debt instruments	-	-	36,098	35,855
Interest on finance leases	5,893	6,168	4,595	3,209
Other interest expense	-	-	43	30
Total finance costs	**129,157**	**113,039**	**198,349**	**176,268**

Commentary / Korerotanga

Interest costs increased at Parent and Group level, due to a combination of higher debt levels and higher market interest rates. Most debt is hedged (at both Parent and Group levels), to reduce the year-on-year volatility of interest costs, so the average interest rate on borrowings has been relatively stable despite the increase in market interest rates during the financial year.

4 Other expenses

Accounting Policy / Kaupapahere Kaute

Non-discretionary grants
Those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants
Those grants where the Parent has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Parent and the approval has been communicated to the applicant and any grant criteria are met. Rates remissions are treated as a discretionary grants to the recipient of the remission in accordance with the Parent's rates remission policy.

Operating leases
Payments made under operating leases are recognised in surplus or deficit proportionally over the term of the lease. Lease incentives received are recognised in surplus or deficit as an integral part of the total lease expense.

Minimum lease payments
Payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Unrecoverable rates
Where in the opinion of the Chief Executive rates cannot reasonably be recovered under sections 90A and 90B of the local Government Rating Act 2002, they are recorded as bad debts and written off. The Parent has the ability to recover rates on the sale of a property and until this occurs rates arrears are treated as doubtful debts and provision is made for the amount of rates outstanding.

		Parent		Group	
		30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
		$000	$000	$000	$000
Audit fees	5	878	692	3,503	3,092
Directors' fees		-	-	3,233	3,063
Donations and grants		61,047	52,857	37,276	29,335
Net foreign exchange (gains) / losses		-	-	(16)	13
Minimum lease payments under operating leases		2,685	2,599	3,617	3,438
Direct operating expenses (including repairs and maintenance) arising on investment properties		-	-	30,848	28,065
Orion network maintenance and transmission expenses		-	-	87,538	92,124
Raw materials and consumables used		-	-	48,439	49,037
Provision of services and maintenance of assets		208,711	187,821	423,753	385,999
Consultants and legal fees		22,889	24,768	47,809	46,844
Other operating expenses		115,778	67,885	345,221	301,278
Total other expenses		**411,988**	**336,621**	**1,031,221**	**942,288**

Commentary / Korerotanga

In 2023/24 $204,134 of rates were written off under sections 90A and 90B of the Local Government (Rating) Act 2002. (2022/23: $110,880).

5 Remuneration of auditors

Accounting Policy / Kaupapahere Kaute

All auditors are appointed by the Auditor-General pursuant to the Public Audit Act. The auditor of the Parent and the Group entities, is Audit New Zealand unless specifically identified.

		Parent		Group	
		30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
		$000	$000	$000	$000
Fees incurred for services provided by Audit New Zealand					
Audit of the financial report and performance information					
- For the year ended 30 June 2024		578	-	2,143	-
- For the year ended 30 June 2023		-	567	34	2,070
- For the year ended 30 June 2022		-	117	20	147
Other audit or assurance engagements required by legislation					
Long-Term Plan Fee 2024		292	-	292	-
Assurance engagement related to debenture trust deed		8	8	8	8
Other assurance related services		-	-	253	236
Fees paid to other Group Auditors					
Audit of the financial report and performance information					
- For the year ended 30 June 2024		-	-	581	-
- For the year ended 30 June 2023		-	-	-	126
Other assurance related services		-	-	172	505
Total remuneration of auditors	4	**878**	**692**	**3,503**	**3,092**

Commentary / Korerotanga

Primary assurance service is provided by Audit New Zealand. This includes audit of the Council and the Mayor's Welfare Fund.

Lyttelton Port Company Limited is audited by KPMG, ChristchurchNZ Holdings Limited is audited by Grant Thornton and Ōtautahi Community Housing Trust is audited by BDO.

Other assurance services provided by Audit New Zealand
Audit New Zealand every year audits the LGFA Debenture Trust Deed on behalf of the Parent.

Audit New Zealand also reviews Orion New Zealand Limited's annual default price-quality path compliance statement and regulatory information disclosures as well as Christchurch International Airport Limited's Specified Airport Services Information Disclosure and the company's compliance with bond conditions.

6 Other gains and losses

Accounting Policy / Kaupapahere Kaute

Realised gains and losses in surplus / deficit
Realised gains and losses arising from the sale of property, plant and equipment and investments and changes arising from the ineffectiveness of derivative financial instruments are recognised in surplus / deficit. Movements in impairments are also recognised through surplus / deficit.

Other losses
Other losses include revaluation decrements relating to investment properties, losses on the sale of property, plant and equipment and investments and losses arising from derivative financial instruments.

6.1 Other gains and losses recognised in surplus / deficit

	Parent		Group	
	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
Gains / losses in surplus / (deficit)	$000	$000	$000	$000
Non-financial instruments				
Gains / (losses) on disposal of property, plant and equipment	(34,341)	(4,150)	(33,747)	2,849
Gains / (losses) on revaluation of investment properties	-	-	15,450	(5,013)
(Impairment) / reversal of impairment on other assets	-	-	(474)	(715)
(Impairment) / reversal of impairment on property, plant and equipment	-	-	(4,850)	(397)
	(34,341)	**(4,150)**	**(23,621)**	**(3,276)**
Financial instruments				
Gains / (losses) through ineffectiveness of cash flow hedges	6,751	6,720	6,743	6,716
Gains / (losses) through de-recognition of cash flow hedges	(6,773)	(6,785)	(6,773)	(6,785)
Gains / (losses) through ineffectiveness of fair value hedges	-	-	(162)	(465)
Impairment from expected credit loss	2,018	(651)	2,471	(2,306)
Fair value through income statement financial instruments fair value change	(5,670)	(3,366)	(4,583)	(4,434)
	(3,674)	**(4,082)**	**(2,304)**	**(7,274)**
Net other gains/(losses)	**(38,015)**	**(8,232)**	**(25,925)**	**(10,550)**

Commentary / Korerotanga

The residual value ($35.2 million) of infrastructure assets replaced as part of the repairs and renewal programme for three waters or roading infrastructure are categorised as disposed of when the new assets are recognised (2023: $10.1 million). This is offset by a gain of $0.9 million from the sale and write off of property (2023: $6 million).

See Note 20.4 for an explanation on the transactions that resulted in the de-recognition of the hedge relationships.

See Note 15 for a description of the investment property revaluation gains.

Impairment from expected credit loss (ECL) includes ECL on trade and other receivables and ECL on other financial assets, mostly community loans.

6.2 Unrealised gains & losses in other comprehensive revenue and expense

Accounting Policy / Kaupapahere Kaute

Unrealised gains and losses in other comprehensive revenue and expense
Unrealised gains and losses arising from the revaluation of investments and changes arising from mark to market valuation of derivative financial instruments are recognised in other comprehensive revenue and expense.

	Parent		Group	
	30 Jun 24 $000	**30 Jun 23 $000**	**30 Jun 24 $000**	**30 Jun 23 $000**
Unrealised gains and losses in other comprehensive revenue and expense				
Investment revaluation gain / (loss)				
Revaluation of shares held in:				
Christchurch City Holdings Limited	235,459	541,173	-	-
Venues Ōtautahi Limited	(12,305)	(4,411)	-	-
Other	252	(6,574)	400	415
	223,406	**530,188**	**400**	**415**
Cash flow hedges gain / (loss)				
Unrealised gain / (loss) on changes in fair value of cash flow hedges	(13,215)	37,153	(36,962)	56,964
	(13,215)	**37,153**	**(36,962)**	**56,964**
Total unrealised gains & losses in OCR&E	**210,191**	**567,341**	**(36,562)**	**57,379**

Commentary / Korerotanga

Investment revaluation gains / (losses)
External valuations are obtained for Christchurch City Holdings Limited, ChristchurchNZ Holdings Limited, Civic Building Limited and Venues Ōtautahi Limited (formerly Vbase Limited). All other subsidiaries are valued using an internal fair value model.

Cash flow gain / (loss)
Derivative "swap" instruments are entered into for the purpose of reducing the volatility of cash interest costs from year to year, and all such instruments are designated as Cash Flow Hedges. The fair market value of these instruments increases / (decreases) in line with movements in longer-term interest rates. Term interest rates decreased in the year to June 2024 resulting in a decrease in the instrument value, recorded as a cash-flow hedge loss.

See Note 20.6 for sensitivity analysis of potential impacts from changes in market interest rates.

7 Receivables and prepayments

Accounting Policy / Kaupapahere Kaute

Trade and other receivables are classified as financial assets at amortised cost and are initially measured at fair value and subsequently measured at amortised cost less the recognition of any expected credit losses (ECL) over the life of the asset.

For the purpose of aging analysis, trade receivables above includes rates receivables, non-exchange receivables from user charges, other trade receivables and related party receivables.

As debtors and other receivables are non-interest bearing and receipt is normally on 30 day terms, the carrying value of debtors and other receivables approximates their fair value.

An expected credit loss allowance (ECL) has been made for each class of debtor and the estimate is based on the measurement of expected credit losses on historical, current and projected information. The balance of the movement was recognised in net surplus and deficit for the current financial year.

7.1 Receivables and prepayments

	Parent		Group	
	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
	$000	$000	$000	$000
Trade receivables				
Trade receivables	32,614	37,658	146,032	150,037
Rates receivables	31,517	25,341	31,517	25,341
Related party receivables	9,223	7,798	-	163
Total trade receivables	73,354	70,797	177,549	175,541
Other receivables				
Chargeable work in progress	-	-	31,823	35,638
Contract retentions	-	-	2,599	2,639
Dividends receivable	-	-	-	3,535
Insurance receivables	55,750	36,040	55,750	36,040
Finance lease receivable	-	-	(16)	(124)
Accrued interest	10,511	8,783	11,442	10,183
Other receivables	-	-	2,845	
Total other receivables	66,261	44,823	104,443	87,911
Less: provision for impairment	(476)	(447)	(1,272)	(1,825)
Total trade and other receivables	**139,139**	**115,173**	**280,720**	**261,627**
Prepayments	9,102	5,416	40,301	29,085
GST receivables	8,810	3,097	(4,104)	(3,139)
Statutory land charge	238	230	238	230
Total receivables and prepayments	**157,289**	**123,917**	**317,155**	**287,803**
Current receivables from exchange transactions	76,488	20,696	243,255	185,774
Current receivables from non-exchange transactions	79,752	71,178	66,908	65,424
Total current receivables and prepayments	156,240	91,874	310,163	251,198
Non-current receivables from exchange transactions	-	31,040	5,944	35,602
Non-current receivables from non-exchange transactions	1,048	1,003	1,048	1,003
Total non-current receivables and prepayments	1,048	32,043	6,992	36,605

Commentary / Korerotanga

Most receivables are non-interest bearing and receipt is generally on 30-day terms, therefore the carrying value approximates their fair value. Following a post-balance date insurance settlement, when the initial event occurred before balance date, Council is required to disclose a receivable as at the reporting date. This ensures events occurring after balance date, that are relevant to the financial statements, are recognised.

7.2 Credit risks aging of trade receivables

								30 Jun 24
				Parent				Group
	Estimated gross amount at default $000	Expected credit loss rate %	Impairment $000	Net $000	Estimated gross amount at default $000	Expected credit loss rate %	Impairment $000	Net $000
Not past due	56,175	0.2%	(125)	56,050	147,861	0.1%	(129)	147,732
Past due 1-60 days	1,706	0.4%	(6)	1,700	10,534	0.2%	(21)	10,513
Past due 61-120 days	6,527	0.1%	(9)	6,518	7,677	0.7%	(56)	7,621
Past due over 120 days	8,946	3.8%	(336)	8,610	11,477	9.3%	(1,066)	10,411
Total trade receivables	**73,354**		**(476)**	**72,878**	**177,549**		**(1,272)**	**176,277**

								30 Jun 23
				Parent				Group
	Estimated gross amount at default $000	Expected credit loss rate %	Impairment $000	Net $000	Estimated gross amount at default $000	Expected credit loss rate %	Impairment $000	Net $000
Not past due	44,897	0.1%	(62)	44,835	134,794	0.2%	(261)	134,533
Past due 1-60 days	14,714	0.5%	(70)	14,644	22,425	0.8%	(177)	22,248
Past due 61-120 days	5,358	0.4%	(19)	5,339	8,736	1.3%	(110)	8,626
Past due over 120 days	5,828	5.1%	(296)	5,532	9,586	13.3%	(1,277)	8,309
Total trade receivables	**70,797**		**(447)**	**70,350**	**175,541**		**(1,825)**	**173,716**

Commentary / Korerotanga

With the exception of amounts in dispute, no general allowance is provided on rates receivables as the Parent has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts.

8 Payables

Accounting Policy / Kaupapahere Kaute

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
Trade payables and accrued expenses	85,573	87,726	200,462	205,454
Amounts due to related parties	13,301	14,648	-	23,652
GST payable	-	-	-	6,236
Interest payable	19,887	17,439	33,772	32,469
Deposits held	-	-	527	711
Amounts due to customers under construction contracts	-	-	104	19
Retentions	14,867	14,847	15,807	15,942
Other payables	-	-	1	-
Total creditors and other payables	**133,628**	**134,660**	**250,673**	**284,483**
Taxes and transfers payable	10,705	6,406	10,489	32,352
Payables under exchange transactions - current	122,923	128,254	240,184	252,131
Total current payables	133,628	134,660	250,673	284,483
Total creditors and other payables	**133,628**	**134,660**	**250,673**	**284,483**

Commentary / Korerotanga

Payables under exchange transactions, transfers and taxes payable are non-interest bearing and settled on terms varying between seven days and the 20th of the month following the invoice date. Most of the Council's payables are exchange transactions as they are directly with another party on an arm's-length basis and are of approximately equal value. Non-exchange payables are classified as either transfers payable (for example, Council grants) or taxes (for example, PAYE).

9 Income taxes

Accounting Policy / Kaupapahere Kaute

Income tax on the surplus or deficit for the year includes current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes at the reporting date.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

9.1 Components of tax expense

	Parent		Group	
	30 Jun 24 $000	**30 Jun 23 $000**	**30 Jun 24 $000**	**30 Jun 23 $000**
Current tax expense/(income)	-	-	10,132	33,444
Adjustments to current tax of prior years	2	-	(3,469)	(12,346)
Deferred tax expense/(income)	(550)	1,606	35,204	11,337
Increase in deferred tax on buildings	-	-	66,719	-
Deferred tax expense relating to use of prior year losses	-	-	(875)	-
Total tax expense/(income)	**(548)**	**1,606**	**107,711**	**32,435**
Reconciliation of prima facie income tax:				
Surplus/(deficit) before tax	48,828	416,435	122,841	491,856
Income tax expense at 28%	13,672	116,602	34,395	137,720
	-			
Non-deductible expenses	302,299	263,995	309,294	265,599
Non-assessable income and non-deductible items	(315,971)	(380,596)	(302,619)	(379,910)
Deferred tax recognised	(548)	1,606	4,468	12,204
Increase in deferred tax on buildings	-	-	66,719	-
Previously unrecognised and unused tax losses	-	-	1,795	-
Deferred tax assets on previously unrecognised and unused tax losses	-	-	-	(10)
(Over)/under provision of income tax in previous year	-	-	(3,894)	(71)
Other	-	-	(2,447)	(3,097)
Total tax expense/(income)	**(548)**	**1,606**	**107,711**	**32,435**
Income tax recognised in other comprehensive income				
Deferred tax				
Asset revaluations	(450)	-	(29,016)	(78,323)
Revaluations of financial instruments treated as cash flow hedges	-	-	5,750	(4,614)
	(450)	**-**	**(23,266)**	**(82,937)**

Commentary / Korerotanga

The tax rate in the above reconciliation is the corporate tax rate of 28 per cent (2023: 28 per cent) payable by New Zealand companies on taxable profits under New Zealand tax law.

The Parent is a member of the CCC Tax Group. The tax group includes Christchurch City Council, Christchurch City Holdings Limited, Te Kaha Project Delivery Limited and Venue Ōtautahi Limited.

During the year, the CCC Tax group distributed $89.0 million of tax losses and received $34.6 million of subvention payments from Enable Networks Limited, Lyttelton Port Company Limited as representative member of Lyttelton Port Group, Civic Building Limited, Eco Central Limited, City Care Limited as representative of City Care Group, Christchurch International Airport Limited, Orion New Zealand Limited as representative member of Orion NZ Group, RBL Property Limited and Development Christchurch Limited.

9.2 Deferred tax balance

	Parent				Group				
		Charged to:				Charged to:			
	Opening balance $000	Net surplus and deficit $000	Other compr. revenue and expense $000	Closing balance $000	Opening balance $000	Net surplus and deficit $000	Other compr. revenue and expense $000	Acquired through business comb./ Prior period adj. $000	Closing balance $000
30 June 2024									
Deferred tax liabilities:									
Cashflow/Fair value hedges	-	-	-	-	24,732	164	(4,743)	-	20,153
Property, plant and equipment	3,522	(109)	450	3,863	526,391	28,170	29,016	-	583,577
Intangible assets	-	-	-	-	7,353	(183)	-	-	7,170
Other	-	(2)	-	(2)	47,191	33,505	-	-	80,696
Total deferred tax liabilities	**3,522**	**(111)**	**450**	**3,861**	**605,667**	**61,656**	**24,273**	**-**	**691,596**
Deferred tax assets:									
Cashflow/Fair value hedges	-	-	-	-	184	-	1,007	-	1,191
Property, plant and equipment	-	-	-	-	26,284	(12,883)	-	-	13,401
Intangible assets	-	-	-	-	464	-	-	-	464
Provisions and employee entitlements	-	-	-	-	11,051	609	-	(22)	11,638
Doubtful debts and impairment losses	-	-	-	-	57	(4)	-	-	53
Tax losses	1,916	439	-	2,355	10,028	(26,896)	-	6,189	(10,679)
Other	-	-	-	-	3,285	(218)	-	-	3,067
Total deferred tax assets	**1,916**	**439**	**-**	**2,355**	**51,353**	**(39,392)**	**1,007**	**6,167**	**19,135**
Net deferred tax liability / (asset)	**1,606**	**(550)**	**450**	**1,506**	**554,314**	**101,048**	**23,266**	**(6,167)**	**672,461**
30 June 2023									
Deferred tax liabilities:									
Cashflow/Fair value hedges	-	-	-	-	19,885	216	4,631	-	24,732
Property, plant and equipment	3,719	(197)	-	3,522	447,821	153	78,323	94	526,391
Intangible assets	-	-	-	-	-	(1,085)	-	8,438	7,353
Other	-	-	-	-	55,967	(8,728)	-	(48)	47,191
Total deferred tax liabilities	**3,719**	**(197)**	**-**	**3,522**	**523,673**	**(9,444)**	**82,954**	**8,484**	**605,667**
Deferred tax assets:									
Cashflow hedges									
Cashflow/Fair value hedges	-	-	-	-	167	-	17	-	184
Property, plant and equipment	-	-	-	-	29,681	(3,397)	-	-	26,284
Intangible assets	-	-	-	-	464	-	-	-	464
Provisions and employee entitlements	-	-	-	-	10,368	311	-	372	11,051
Doubtful debts and impairment losses	-	-	-	-	37	20	-	-	57
Tax losses	3,719	(1,803)	-	1,916	28,295	(18,267)	-	-	10,028
Other	-	-	-	-	2,733	552	-	-	3,285
Total deferred tax assets	**3,719**	**(1,803)**	**-**	**1,916**	**71,745**	**(20,781)**	**17**	**372**	**51,353**
Net deferred tax liability / (asset)	**-**	**1,606**	**-**	**1,606**	**451,928**	**11,337**	**82,937**	**8,112**	**554,314**

9.3 Imputation credit balances

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
Imputation credits available to the tax group for use in subsequent reporting periods	-	-	221,100	213,202

10 Property, plant & equipment

The property, plant and equipment of the Council and the Council Group are classified into three categories:

- Operational assets – including land and buildings, library books, plant and equipment, motor vehicles and furniture and fittings
- Infrastructure assets – including fixed utility systems, each asset class includes all items that are required for the network to function
- Restricted assets – including parks and reserves owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions

Property, plant and equipment
Property, plant and equipment is recorded at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation (if applicable) **or** at historical cost less depreciation (if applicable).

Property, plant and equipment held at fair value includes land (excluding land under roads), buildings, electricity distribution network, airport sealed surfaces, marine structures, Infrastructure assets, heritage assets and works of art assets.

All other property, plant and equipment including land under roads is stated at historical cost less depreciation.

Revaluation
Valuations are performed with sufficient regularity to ensure revalued assets are carried at a value that is not materially different from fair value.

Where the Council has elected to account for revaluations of property, plant and equipment on a class of asset basis, increases in the carrying amounts arising on revaluation of a class of assets are credited directly to equity under the heading revaluation reserve. However, the net revaluation increase shall be recognised in surplus or deficit to the extent it reverses a net revaluation decrease of the same class of assets previously recognised in surplus or deficit.

For assets being revalued, the total accumulated depreciation prior to the date of valuation is transferred to the gross carrying amount of the asset. The new carrying value amount is then restated to the new revalued amount of the asset.

Cost
Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to surplus or deficit during the financial period in which they are incurred.

Capital expenditure
Capital expenditure is defined as all expenditure incurred in the creation of a new asset and any expenditure that results in a significant restoration or increased service potential for existing assets. Constructed assets are included in property, plant and equipment as each becomes operational and available for use. Operating expenditure is defined as expenditure that is incurred in the maintenance and operation of the property, plant and equipment of the Group.

Additions
The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in surplus or deficit as they are incurred.

Disposals
Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation
Bare land and library books in the New Zealand Room Collection are not depreciated. Park improvements (e.g. swings, jungle gyms and trees) on freehold land are depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.

Net asset value
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount in accordance with the requirements of PBE IPSAS 21 – Impairment of Non-Cash-Generating Assets and PBE IPSAS 26 - Impairment of Cash-Generating Assets. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date in accordance with the requirements of PBE IPSAS 17 – Property, Plant and Equipment.

Impairment
For the purpose of assessing impairment indicators and impairment testing of non-financial assets, the Council classifies non-financial assets as either cash-generating or non-cash-generating assets. The Council classifies a non-financial asset as a cash-generating asset if its primary objective is to generate a commercial return. All other assets are classified as non-cash-generating assets. Impairment losses are recognised through surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

Property, plant and equipment measured at fair value however is reviewed and tested for impairment. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The carrying amounts of the Council's other assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount.

Restrictions
Land and buildings in the "Restricted Asset" category are subject to restrictions on either use or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings acquired under a bequest or donation that restricts the purpose for which the assets can be used).

Leasing
The net carrying amount of plant and equipment held under finance leases is $178 million (2023: $199 million). Note 22 provides further information about finance leases.

Useful life
The following table highlights the useful life of property plant and equipment, confirmed through the valuation process, which drives the depreciation charge for each asset category and asset class.

Operational and restricted assets

Category	Estimated Useful Life (years)
Buildings	1-100
Computer and other equipment	1-10
Mobile plant including vehicles	2-30
Buses	17-26
Sealed surfaces (other than roads)	9-100
Container cranes	30
Harbour structures	3-10050
Seawalls	50-100
Telecommunications infrastructure	12-50
Electricity distribution system	60
Electricity load control equipment	60
Leasehold land improvements	5-100
Land improvements	10-60
Library books	3-8
Library books (NZ room collection)	Indefinite
Vessels	5-25
Planted areas	15-115
Reserves – sealed areas	10-60
Reserves – structures	10-80
Historic buildings	20-125
Art works	1000
Heritage assets	1000

Infrastructure assets

Category	Estimated Useful Life (years)
Formation	Indefinite
Formation (pre-1956)	40-120
Pavement sub-base	Indefinite
Basecourse	40-120
Footpaths and cycleways	20-80
Surface	2-80
Streetlights and signs	5-50
Kerb, channel, sumps and berms	80
Tram tracks and wires	40-100
Parking meters	10
Railings	20-50
Landscape/medians	8-80
Drain pipes/culverts/retaining walls	20-115
Bridges	70-100
Bus shelters and furniture	6-40
Water supply	2-130
Water meters	25-40
Stormwater	20-150
Waterways	10-100
Sewer	40-150
Treatment plant	15-100
Pump stations	5-100

10.1 Property, plant and equipment (Parent)

		Opening balances			Current year	Closing balances		
Parent 2024		**Cost/ valuation $000**	**Accumulated depreciation $000**	**Carrying amount $000**	**Net movements $000**	**Cost/ valuation $000**	**Accumulated depreciation $000**	**Carrying amount $000**
Operational assets								
Freehold land	FV	713,170	-	713,170	11,732	724,902	-	724,902
Park improvements	FV	41,133	(5,693)	35,440	8,859	44,413	(114)	44,299
Buildings	FV	1,248,992	(32,498)	1,216,494	115,955	1,337,643	(5,194)	1,332,449
Plant & equipment	Cost	127,074	(101,816)	25,258	12,472	147,784	(110,054)	37,730
Landfill	Cost	8,217	(8,217)	-	-	8,217	(8,217)	-
Library books	Cost	144,129	(131,814)	12,315	638	148,800	(135,847)	12,953
Work in progress	Cost	368,945	-	368,945	207,085	576,030	-	576,030
		2,651,660	**(280,038)**	**2,371,622**	**356,741**	**2,987,789**	**(259,426)**	**2,728,363**
Infrastructure assets								
Transportation	FV	2,755,184	(76,963)	2,678,221	56,106	2,891,585	(157,258)	2,734,327
Land under road	Cost	438,065	-	438,065	3,363	441,428	-	441,428
Waste water	FV	3,415,184	(6,263)	3,408,921	(30,940)	3,476,516	(98,535)	3,377,981
Water supply	FV	2,046,466	(164)	2,046,302	45,256	2,140,406	(48,848)	2,091,558
Storm water	FV	2,356,761	(89)	2,356,672	13,573	2,404,103	(33,858)	2,370,245
Work in progress	Cost	274,889	-	274,889	(30,012)	244,877	-	244,877
		11,286,549	**(83,479)**	**11,203,070**	**57,346**	**11,598,915**	**(338,499)**	**11,260,416**
Restricted assets								
Land	FV	1,243,016	-	1,243,016	10,828	1,253,844	-	1,253,844
Park improvements	FV	377,814	(45,353)	332,461	73,930	406,561	(170)	406,391
Buildings	FV	20,425	(573)	19,852	4,120	23,972	-	23,972
Marine structure	FV	46,546	(4,880)	41,666	(1,900)	47,141	(7,375)	39,766
Artworks	FV	110,739	(110)	110,629	848	111,699	(222)	111,477
Heritage assets	FV	23,664	(236)	23,428	2,032	25,721	(261)	25,460
Public art	FV	17,053	(38)	17,015	28	17,098	(55)	17,043
Library books	Cost	11,646	-	11,646	(2,551)	9,095	-	9,095
Work in progress	Cost	31,883	-	31,883	7,166	39,049	-	39,049
		1,882,786	**(51,190)**	**1,831,596**	**94,501**	**1,934,180**	**(8,083)**	**1,926,097**
Total Parent PPE		**15,820,995**	**(414,707)**	**15,406,288**	**508,588**	**16,520,884**	**(606,008)**	**15,914,876**

Property, plant and equipment (Parent) *continued*

		Current year movements						
Parent 2024		**Additions $000**	**Net disposals/ Transfers* $000**	**Impairment charged to surplus $000**	**Net movement in WIP $000**	**Depreciation $000**	**Revaluation movement $000**	**Net current year movements $000**
Operational assets								
Freehold land	FV	898	(14,929)	-	-	-	25,763	11,732
Park improvements	FV	3,035	-	-	-	(2,964)	8,788	8,859
Buildings	FV	66,037	(2,350)	-	-	(28,392)	80,660	115,955
Plant & equipment	Cost	21,257	-	-	-	(8,785)	-	12,472
Library books	Cost	3,983	687	-	-	(4,032)	-	638
Work in progress	Cost	-	4,168	-	202,917	-	-	207,085
		95,210	**(12,424)**	**-**	**202,917**	**(44,173)**	**115,211**	**356,741**
Infrastructure assets								
Transportation	FV	136,495	(170)	-	-	(80,219)	-	56,106
Land under road	Cost	3,392	(29)	-	-	-	-	3,363
Waste water	FV	72,447	(10,969)	-	-	(92,418)	-	(30,940)
Water supply	FV	112,774	(18,589)	-	-	(48,929)	-	45,256
Storm water	FV	50,366	(2,996)	-	-	(33,797)	-	13,573
Work in progress	Cost	-	-	-	(30,012)	-	-	(30,012)
		375,474	**(32,753)**	**-**	**(30,012)**	**(255,363)**	**-**	**57,346**
Restricted assets								
Land	FV	41,300	(710)	-	-	-	(29,762)	10,828
Park improvements	FV	28,589	(2,517)	-	-	(21,545)	69,403	73,930
Buildings	FV	44	-	-	-	(574)	4,650	4,120
Marine structure	FV	596	-	-	-	(2,496)	-	(1,900)
Artworks	FV	960	-	-	-	(112)	-	848
Heritage assets	FV	2,102	(45)	-	-	(25)	-	2,032
Public art	FV	-	45	-	-	(17)	-	28
Library books	Cost	51	(2,602)	-	-	-	-	(2,551)
Work in progress	Cost	-	-	-	7,166	-	-	7,166
		73,642	**(5,829)**	**-**	**7,166**	**(24,769)**	**44,291**	**94,501**
Total Parent PPE		**544,326**	**(51,006)**	**-**	**180,071**	**(324,305)**	**159,502**	**508,588**

*Disposals in this reconciliation are reported net of accumulated depreciation and include PPE classified as held for sale during the year.

Property, plant and equipment (Parent) *continued*

		Opening balances			Current year	Closing balances		
		Cost/ valuation	Accumulated depreciation	Carrying amount	Net movements	Cost/ valuation	Accumulated depreciation	Carrying amount
Parent 2023		**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Operational assets								
Freehold land	FV	714,028	-	714,028	(858)	713,170	-	713,170
Park improvements	FV	36,942	(2,795)	34,147	1,293	41,133	(5,693)	35,440
Buildings	FV	1,258,088	(29,310)	1,228,778	(12,284)	1,248,992	(32,498)	1,216,494
Plant & equipment	Cost	134,930	(109,136)	25,794	(536)	127,074	(101,816)	25,258
Landfill	Cost	8,217	(8,217)	-	-	8,217	(8,217)	-
Library books	Cost	140,536	(127,887)	12,649	(334)	144,129	(131,814)	12,315
Work in progress	Cost	192,451	-	192,451	176,494	368,945	-	368,945
		2,485,192	**(277,345)**	**2,207,847**	**163,775**	**2,651,660**	**(280,038)**	**2,371,622**
Infrastructure assets								
Transportation	FV	2,630,261	(325)	2,629,936	48,285	2,755,184	(76,963)	2,678,221
Land under road	Cost	439,862	-	439,862	(1,797)	438,065	-	438,065
Waste water	FV	3,374,217	(5,453)	3,368,764	40,157	3,415,184	(6,263)	3,408,921
Water supply	FV	1,917,700	(3,300)	1,914,400	131,902	2,046,466	(164)	2,046,302
Storm water	FV	1,762,642	(1,550)	1,761,092	595,580	2,356,761	(89)	2,356,672
Work in progress	Cost	253,927	-	253,927	20,962	274,889	-	274,889
		10,378,609	**(10,628)**	**10,367,981**	**835,089**	**11,286,549**	**(83,479)**	**11,203,070**
Restricted assets								
Land	FV	1,116,051		1,115,871	127,145	1,243,016	-	1,243,016
Park improvements	FV	349,544	(23,846)	325,698	6,763	377,814	(45,353)	332,461
Buildings	FV	20,726	(481)	20,425	(573)	20,425	(573)	19,852
Marine structure	FV	43,354	(2,549)	40,805	861	46,546	(4,880)	41,666
Artworks	FV	109,689	-	109,689	940	110,739	(110)	110,629
Heritage assets	FV	21,486	(213)	21,273	2,155	23,664	(236)	23,428
Public art	FV	16,699	(21)	16,678	337	17,053	(38)	17,015
Library books	Cost	8,995	-	8,995	2,651	11,646	-	11,646
Work in progress	Cost	18,440	-	18,440	13,443	31,883	-	31,883
		1,704,984	**(27,110)**	**1,677,874**	**153,722**	**1,882,786**	**(51,190)**	**1,831,596**
Total Parent PPE		**14,568,785**	**(315,083)**	**14,253,702**	**1,152,586**	**15,820,995**	**(414,707)**	**15,406,288**

Property, plant and equipment (Parent) *continued*

Parent 2023		Additions $000	Net disposals/ Transfers* $000	Impairment charged to surplus $000	Net movement in WIP $000	Depreciation $000	Revaluation movement $000	Net current year movements $000
		Current year movements						
Operational assets								
Freehold land	FV	6,172	(7,030)	-	-	-	-	(858)
Park improvements	FV	4,018	172	-	-	(2,897)	-	1,293
Buildings	FV	16,767	(1,884)	-	-	(27,167)	-	(12,284)
Plant & equipment	Cost	8,523	(61)	-	-	(8,998)	-	(536)
Library books	Cost	3,594	-	-	-	(3,928)	-	(334)
Work in progress	Cost	-	-	-	176,494	-	-	176,494
		39,074	**(8,803)**	**-**	**176,494**	**(42,990)**	**-**	**163,775**
Infrastructure assets								
Transportation	FV	126,241	(1,318)	-	-	(76,638)	-	48,285
Land under road	Cost	6,047	(7,844)	-	-	-	-	(1,797)
Waste water	FV	103,207	(4,244)	-	-	(81,359)	22,553	40,157
Water supply	FV	40,893	(4,197)	-	-	(47,720)	142,926	131,902
Storm water	FV	53,147	(400)	-	-	(24,331)	567,164	595,580
Work in progress	Cost	-	-	-	20,962	-	-	20,962
		329,535	**(18,003)**	**-**	**20,962**	**(230,048)**	**732,643**	**835,089**
Restricted assets								
Land	FV	119,991	7,154	-	-		-	127,145
Park improvements	FV	26,419	1,850	-	-	(21,506)	-	6,763
Buildings	FV			-	-	(573)	-	(573)
Marine structure	FV	3,191	-	-	-	(2,330)	-	861
Artworks	FV	1,050	-	-	-	(110)	-	940
Heritage assets	FV	2,178	-	-	-	(23)	-	2,155
Public art	FV	354	-	-	-	(17)	-	337
Library books	Cost	2,651	-	-	-	-	-	2,651
Work in progress	Cost	-	-	-	13,443	-	-	13,443
		155,834	**9,004**	**-**	**13,443**	**(24,559)**	**-**	**153,722**
Total Parent PPE		**524,443**	**(17,802)**	**-**	**210,899**	**(297,597)**	**732,643**	**1,152,586**

* Disposals in this reconciliation are reported net of accumulated depreciation and include PPE classified as held for sale during the year.

10.2 Work in progress

	Parent		Group	
	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
	$000	$000	$000	$000
Waste water	31,541	57,341	31,541	57,341
Water supply	32,907	77,507	32,907	77,507
Storm water	73,048	69,397	73,048	69,397
Transportation	107,381	70,644	107,381	70,644
Total infrastructural	**244,877**	**274,889**	**244,877**	**274,889**
Building - operational	576,030	368,945	576,030	368,945
Building - restricted	39,049	31,883	39,049	31,883
Other- Operational	-	-	143,604	211,855
Total PPE work in progress	**859,956**	**675,717**	**1,003,560**	**887,572**

Commentary / Korerotanga

Major infrastructure projects within work in progress include the Akaroa Reclaimed Water Treatment and Reuse Scheme and Major Cycleway Routes. Operating projects within work in progress include the Metro Sport Facility and One New Zealand Stadium at Te Kaha.

Work continued across the Group updating infrastructure assets including the fibre network and electrical reticulation.

10.3 Core Assets (Parent)

2024	Closing Book Value $000	Assets constructed for the year $000	Assets transferred for the year $000	Replacement Cost as at year end $000
Treatment plants	321,939	19,366	-	662,492
Reticulation	3,056,042	49,730	3,351	5,697,978
Waste water	**3,377,981**	**69,096**	**3,351**	**6,360,470**
Treatment plants	6,330	-	-	14,825
Reticulation	2,085,228	109,508	3,266	3,770,331
Water supply	**2,091,558**	**109,508**	**3,266**	**3,785,156**
Storm water drainage	2,213,867	7,866	20,789	2,824,487
Flood protection and control works	156,378	21,711	-	165,501
Stormwater	**2,370,245**	**29,577**	**20,789**	**2,989,988**
Transportation	2,734,327	118,492	18,003	5,029,338
Total infrastructure assets	**10,574,111**	**326,673**	**45,409**	**18,164,952**

2023	Closing Book Value $000	Assets constructed for the year $000	Assets transferred for the year $000	Replacement Cost as at year end $000
Treatment plants	331,543	16,766	-	643,126
Reticulation	3,077,378	81,477	4,964	5,690,704
Waste water	**3,408,921**	**98,243**	**4,964**	**6,333,830**
Treatment plants	6,577	1,296	-	14,825
Reticulation	2,039,725	34,836	4,761	3,720,150
Water supply	**2,046,302**	**36,132**	**4,761**	**3,734,975**
Storm water drainage	2,229,996	16,074	12,189	2,799,562
Flood protection and control works	126,676	24,884	-	143,791
Stormwater	**2,356,672**	**40,958**	**12,189**	**2,943,353**
Roads and footpaths	2,678,221	116,650	9,591	4,902,795
Total infrastructure assets	**10,490,116**	**291,983**	**31,505**	**17,914,953**

Commentary / Korerotanga

The Parent completed the construction of $325.2 million (2023: $292.0 million) relating to its core infrastructure and received a further $45.4 million (2023: $31.5 million) of vested assets. These assets are carried at their net book value using their respective historical costs or deemed costs as revalued.

The replacement cost is based on the replacement cost estimate at the last valuation of the asset class, water supply (2023), wastewater (2023), storm water drainage including flood protection and control works (2023) and roads and footpaths (2023), plus assets constructed and transferred since the last revaluation date.

10.4 Revaluations and review for impairment (Parent)

Three Waters	Revaluation date:	30 June 2023
	Independent valuer:	WSP New Zealand
	Valuation methodology:	Optimum Depreciated replacement cost (ODRC) method in accordance with PBE IPSAS 17

Key valuation assumptions

The ODRC was calculated using the following assumption:

-The unit cost rates for valuing the three water assets reflect an average cost rate for local constructions. Where there has been recent construction / renewal activity, the actual construction costs are used in place of the existing average rates.

- A minimum asset life of three years for assets with expected total useful life of less or equal to 30 years, and a minimum asset life of 10% of asset expected total useful life for assets with expected useful life greater than 30 years and capped at five years.

- Earthworks for wastewater lift & monitoring stations and stormwater channel linings have been assigned a residual value of 100% and 80% respectively. A residual value of 50% of programming fees has been allowed for Water supply Human Machine Interface (HMI) assets. A residual value of 0% has been adopted for all other water assets.

- If no age or condition information is given the asset is assumed to be halfway through its expected life.

Sensitivity analysis

Assumption change	Valuation movement Up	Valuation movement down
	$000	$000
Wastewater +/- 5%	168,899	(168,899)
Water supply +/- 5%	104,578	(104,578)
Storm water +/- 5%	118,512	(118,512)
Wastewater CGPI 2.7% since last valuation	91,205	-
Water supply CGPI 2.7% since last valuation	56,472	-
Storm water CGPI 2.7% since last valuation	63,997	-

Land and buildings	Revaluation date:	30 June 2024
	Independent valuer:	William Blake Val Prof (Urb), ANZIV, FPINZ of Bayleys Valuations Ltd
	Valuation methodology:	Specialised structure: Estimated cost less depreciation Other land and buildings: Market value

Key valuation assumptions

- For most assets market values are determined by reference to the active market for real estate that is traded frequently in the open market.

- Specialised structures such as the community centres, public toilets, sports facilities, and some heritage items are valued at estimated cost less depreciation due to an absence of market.

- Specialised land, which is held for public benefits such as parks and reserves, reference has been made to the closest asset class for which there is observable data. Adjustments are necessary to account for locational preference.

	Sensitivity analysis		
	Assumption change	Valuation movement Up	Valuation movement down
		$000	$000
	Land +/- 5%	89,639	(89,639)
	Buildings +/- 5%	64,615	(64,615)
Transportation	Revaluation date:	30 June 2022	
	Independent valuer:	WSP New Zealand	
	Valuation methodology:	Depreciated replacement cost (DRC) method in accordance with PBE IPSAS 17	
	Key valuation assumptions - Unit rates used in the 2019 valuation were updated using Waka Kotahi cost adjustment factors and assessed against recent construction schedules where available. - Useful lives were determined considering the age, condition of the assets and the assets future service potential.		
	Sensitivity analysis		
	Assumption change	Valuation movement Up	Valuation movement down
		$000	$000
	Roads and footpaths +/- 5%	136,716	(136,716)
	CGPI 9.7% since last valuation	265,230	
Park improvements	Revaluation date:	30 June 2024	
	Independent valuer:	Internal valuation as per previous year's methodology	
	Valuation methodology:	Optimised depreciated replacement cost	
Marine structures	Revaluation date:	30 June 2021	
	Independent valuer:	Robert Berghuis, MPINZ of Beca Projects NZ Limited	
	Valuation methodology:	Optimised depreciated replacement cost	
Public Art	Revaluation date:	30 June 2021	
	Independent valuer:	Ben Plumbly, Director of Art at Art + Object Limited	
	Valuation methodology:	Fair market value	
Heritage Assets	Revaluation date:	30 June 2009	
	Independent valuer:	Plant & Machinery Valuers Limited and Dunbar Sloane Limited	
	Valuation methodology:	Depreciated reproduction cost	

Accounting for earthquake damage

Accounting standards require that when an asset has been destroyed it should be de-recognised or written off. Similarly, where there is an indication that the value of an asset as recorded in the financial statements is greater than its actual value, the value of that asset must be reduced (this is known as impairment).

Recognition of impaired assets in these financial statements

The table below details the impairment / (impairment reversals) that have been taken against property plant and equipment since the earthquakes.

	Total $000	Released Prior Years $000	Released Current Year $000	Outstanding $000
Buildings/ facilities	142,034	(126,100)	(623)	15,311
Impairments	**142,034**	**(126,100)**	**(623)**	**15,311**

Buildings / Facilities

In the years following the 2010/11 earthquake sequence an impairment was recognised on land and buildings of approximately $142 million. As the impacted land and buildings have been revalued the impairment has been released. There remains only two buildings with impairments that have not been valued during the normal revaluation cycle.

The impairment of the affected buildings was recognised by reducing the value of the assets in the Parent's financial statements and by reducing the value of the Parent's asset revaluation reserves by an equal amount.

The impairment will be reversed when the buildings are revalued or if repairs are expensed. $15.3 million of impairment remains at 30 June 2024 (2023: $15.9 million).

Trickling Filters

In November 2021, the two trickling filters located at the Council's Bromley Wastewater Treatment Plant suffered significant damage as a result of a fire. The fire has had a significant impact on the Council's ability to process waste water in Christchurch.

The plant and equipment associated with the trickling filters has been assessed for damage resulting in a large portion of the assets associated with the trickling filters being impaired in particular the media within the silos.

The trickling filters are a component of the waste water infrastructure class of property, plant and equipment. The waste water class has sufficient valuation gains to cover the cost of the impairment and therefore no impairment expense has been recognised in the statement of financial performance.

10.5 Insurance of assets (Parent)

	30 Jun 24 $000	30 Jun 23 $000
Insurance		
Insured value of assets covered by insurance	2,942,694	2,913,992
Book value of assets covered by insurance	10,341,848	10,096,164
Financial risk sharing arrangements		
Overall Cover		
The maximum amount to which assets are insured under Council insurance policies	2,942,694	2,913,992
Total book value of property Plant and Equipment	15,914,876	15,406,288

Commentary / Korerotanga

Insurance cover

At 30 June 2024 the Parent had full replacement cover for the majority of buildings, and fire only cover for several major buildings which are remain unrepaired and/or un-strengthened following the Canterbury Earthquake Sequence. The total value of the cover over all buildings is $2.2 billion. The Parent self-insures any buildings with a value below $250,000.

The Parent has $580 million of insurance cover available for its underground infrastructure assets. This cover allows access to Crown funding, which will contribute up to 60 per cent of the cost of reinstating the assets. This gives total cover of approximately $8 billion on assets with a replacement value of $12.1 billion.

10.6 Property plant and equipment (Group)

		Opening balances			Current year	Closing balances		
		Cost/ valuation	Accumulated depreciation	Carrying amount	Net movements	Cost/ valuation	Accumulated depreciation	Carrying amount
Group 2024		$000	$000	$000	$000	$000	$000	$000
Operational assets								
Freehold land	FV	1,556,104	(12,070)	1,544,034	38,317	1,593,906	(11,555)	1,582,351
Park improvements	FV	41,133	(5,693)	35,440	8,859	44,413	(114)	44,299
Buildings	FV	2,359,403	(289,920)	2,069,483	154,863	2,522,273	(297,927)	2,224,346
Plant & equipment	Cost	658,701	(471,945)	186,756	27,099	720,317	(506,462)	213,855
Electricity distribution	FV	1,523,320	(212,015)	1,311,305	125,700	1,648,606	(211,601)	1,437,005
Airport infrastructure	FV	570,414	(44,678)	525,736	18,504	602,096	(57,856)	544,240
Harbour structures	FV	330,179	(153,871)	176,308	29,165	366,732	(161,259)	205,473
Optical fibre network	FV	851,208	(71,996)	779,212	35,000	891,718	(77,506)	814,212
Landfill	Cost	8,271	(8,271)	-	-	8,271	(8,271)	-
Library books	Cost	143,246	(131,816)	11,430	638	147,917	(135,849)	12,068
Work in progress	Cost	580,800	-	580,800	138,834	719,634	-	719,634
		8,622,779	**(1,402,275)**	**7,220,504**	**576,979**	**9,265,883**	**(1,468,400)**	**7,797,483**
Infrastructure assets		11,290,419	(83,480)	11,206,939	57,344	11,602,783	(338,500)	11,264,283
Restricted assets		1,882,786	(51,190)	1,831,596	94,501	1,934,180	(8,083)	1,926,097
Total Group PPE		**21,795,984**	**(1,536,945)**	**20,259,040**	**728,824**	**22,802,846**	**(1,814,983)**	**20,987,864**
Group 2023								
Operational assets								
Freehold land	FV	1,536,059	(12,061)	1,523,998	20,036	1,556,104	(12,070)	1,544,034
Park improvements	FV	36,942	(2,795)	34,147	1,293	41,133	(5,693)	35,440
Buildings	FV	2,322,523	(290,056)	2,032,467	37,016	2,359,403	(289,920)	2,069,483
Plant & equipment	Cost	653,335	(502,065)	151,270	35,486	658,701	(471,945)	186,756
Electricity distribution	FV	1,391,176	(212,015)	1,179,161	132,144	1,523,320	(212,015)	1,311,305
Airport infrastructure	FV	527,812	(44,682)	483,130	42,606	570,414	(44,678)	525,736
Harbour structures	FV	330,220	(153,473)	176,747	(439)	330,179	(153,871)	176,308
Optical fibre network	FV	801,992	(93,035)	708,957	70,255	851,208	(71,996)	779,212
Landfill	Cost	8,217	(8,217)	-	-	8,271	(8,271)	-
Library books	Cost	139,726	(127,889)	11,837	(407)	143,246	(131,816)	11,430
Work in progress	Cost	335,755	-	335,755	245,045	580,800	-	580,800
		8,083,757	**(1,446,288)**	**6,637,469**	**583,035**	**8,622,779**	**(1,402,275)**	**7,220,504**
Infrastructure assets		10,382,479	(10,629)	10,371,850	835,089	11,290,419	(83,480)	11,206,939
Restricted assets		1,704,984	(27,110)	1,677,874	153,722	1,882,786	(51,190)	1,831,596
Total Group PPE		**20,171,220**	**(1,484,027)**	**18,687,193**	**1,571,846**	**21,795,984**	**(1,536,945)**	**20,259,039**

Property plant and equipment (Group) *continued*

		Current year movements						
		Additions	Net disposals/ Transfers*	Impairment charged to surplus	Net movement in WIP	Depreciation	Revaluation movement	Net current year movements
Group 2024		**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Operational assets								
Freehold land	FV	1,917	(21,742)	-	-	(6)	58,148	38,317
Park improvements	FV	3,035	-	-	-	(2,964)	8,788	8,859
Buildings	FV	82,034	42,112	(419)	(8)	(72,009)	103,153	154,863
Plant & equipment	Cost	48,255	33,736	(4,335)	87	(50,644)	-	27,099
Electricity distribution	FV	123,226	(1,326)	(96)	(10,483)	(51,382)	65,761	125,700
Airport infrastructure	FV	-	16,612	-	-	(14,232)	16,124	18,504
Harbour structures	FV	7,780	28,797	-	-	(7,412)	-	29,165
Optical fibre network	FV	-	33,890	-	-	(23,770)	24,880	35,000
Library books	Cost	3,983	687	-	-	(4,032)	-	638
Work in progress	Cost	94,050	(168,156)	-	212,940	-	-	138,834
		364,280	**(35,390)**	**(4,850)**	**202,536**	**(226,451)**	**276,854**	**576,979**
Infrastructure assets		375,474	(32,753)	-	(30,012)	(255,363)	(2)	57,344
Restricted assets		73,642	(5,829)	-	7,166	(24,769)	44,291	94,501
Total Group PPE		**813,396**	**(73,972)**	**(4,850)**	**179,690**	**(506,583)**	**321,143**	**728,824**
Group 2023								
Operational assets								
Freehold land	FV	14,281	3,750	-	-	(9)	2,014	20,036
Park improvements	FV	4,018	172	-	-	(2,897)	-	1,293
Buildings	FV	16,923	2,264	(397)	-	(70,183)	88,409	37,016
Plant & equipment	Cost	59,842	13,454	-	-	(37,810)	-	35,486
Electricity distribution	FV	99,760	(1,095)	-	-	(47,106)	80,585	132,144
Airport infrastructure	FV	-	7,237	-	-	(13,490)	48,859	42,606
Harbour structures	FV	820	5,411	-	-	(6,670)	-	(439)
Optical fibre network	FV	-	34,914	-	-	(23,736)	59,077	70,255
Library books	Cost	3,594	-	-	(73)	(3,928)	-	(407)
Work in progress	Cost	146,408	(88,332)	-	186,969	-	-	245,045
		345,646	**(22,225)**	**(397)**	**186,896**	**(205,829)**	**278,944**	**583,035**
Infrastructure assets		329,535	(18,003)	-	20,962	(230,048)	732,643	835,089
Restricted assets		155,834	9,004	-	13,443	(24,559)	-	153,722
Total Group PPE		**831,015**	**(31,224)**	**(397)**	**221,301**	**(460,436)**	**1,011,587**	**1,571,846**

De-recognition of impairments at a Group level

The Parent has unrealised revaluation gains in the land and building's asset classes and pursuant to PBE IPSAS 17, impairment losses within the Group relating to land and buildings are able to be offset against these gains.

10.7 Revaluations and review for impairment (Group)

Below is a summary of valuation information for Council's subsidiaries. Detailed valuation assumptions, methodologies and discount rates can be found in the individual financial statements for the subsidiaries.

CCHL Group

Fair value and revaluation

Valuations are performed with sufficient regularity to ensure that the fair value of the assets does not vary materially from their carrying value.

Any revaluation increase arising on the revaluation of these assets is credited to the asset revaluation reserve included in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense through profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of these assets is charged as an expense through profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset, except for harbour structures where accumulated depreciation is not eliminated.

Additions are recorded at historical cost less depreciation until the next revaluation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

When measuring the fair value of property, plant and equipment held by the Group, the Group uses observable market data as much as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

A summary of the fair value consideration of assets valued by external independent valuers significant to the carrying value is provided below.

Christchurch International Airport Ltd

CIAL's land, terminal buildings, other buildings and airport infrastructure assets are recorded at fair value and, in the absence of significant observable inputs, are classified as Level 3 within the fair value hierarchy.

Terminal buildings comprise terminal facilities, other buildings comprise commercial buildings and hotel business assets, and airport infrastructure assets comprise sealed surfaces, infrastructure and car parking.

At each reporting date CIAL assesses whether the carrying value of each asset class differs materially from the fair value and consequently determines if a revaluation is required.

On 30 June 2024 car parking and land assets were revalued by independent valuer Crighton Anderson Property and Infrastructure Ltd trading as Colliers International Ltd. Commercial buildings were last valued at 30 June 2022 by independent valuer Crighton Anderson Property and Infrastructure Ltd trading as Colliers International Ltd.

The hotel business assets was last revalued in 2022 by CBRE. A fair value assessment of the hotel building asset was carried out by CBRE in 2024. It was decided that, notwithstanding the movements in discount rates and profitability a revaluation was not required and there was no indication of impairment. The fair value was determined to be not materially different than carrying value.

Sealed surfaces, terminal facilities and infrastructure assets were valued by independent valuers WSP New Zealand Ltd as at 30 June 2023

The revaluations resulted in an increase in valuation of $40 million (2023 $137 million).

Land

Includes land used for airport activities and specialised aeronautical assets and for non-aeronautical purposes e.g. industrial, service, retail and land associated with the vehicle business (revalued 2024).

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Market value highest and best use approach, with an allowance being deducted to allow for services valued as infrastructure assets and for further costs required to achieve the required zoning. Land included in car parking, hotel and investment property categories are not included in this category.	Adopted rate per hectare average: Landside $469,000 (2022: $919,000)	+/-$19m (of a 5% change in adopted rate)	- The critical elements in establishing the 'highest and best use approach' of land is the market rate prevailing for similar land: - An increase in demand for land will increase the fair value; - A decrease in demand will decrease the fair value.
Market value alternative use (MVAU) for airside e.g. elements of airfield land and valued on MVAU.	Average rated value is $125,000 per hectare (2022 $129,000 per hectare)	+/- $7m (of a 5% change in adopted rate)	Critical elements in the MVAU calculation are: Rate per hectare - An increase to the rate would increase the fair value and decrease to the rate would reduce the fair value.

Terminal buildings

(revalued 2023)

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Optimised depreciated replacement cost derived from modern equivalent asset rate.	Unit costs of construction square metre (sqm): Range of $3,308 – $5,726 (2021: $2,675 – $5,051) with weighted average of $4,458 (2021: $3,817)	+/- $17.3m (of a 5% change of cost estimate).	An increase in modern equivalent asset replacement cost will increase the fair value. A decrease in modern equivalent asset replacement will decrease the fair value. An increase in the cashflow from an asset will increase the fair value. A decrease in the cashflow from an asset will decrease the fair value.

Other buildings

Buildings

Buildings for identified airport activities, including offices spaces and storage that exist because of the airport activities (revalued 2022).

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Specialised buildings are valued by optimised depreciated replacement cost derived from modern equivalent asset rate. Buildings that are owned by CIAL that could be leased by a third party are valued on an income valuation approach similar to that used for Investment Properties. (see note 11)	Unit costs of construction sqm: Range of $504 – $4,604 (2021: $504 – $4,604) with weighted average of $1,130 (2021: $1,309)	+/- $1.7m (of a 5% change of cost estimate).	An increase in modern equivalent asset replacement cost will increase the fair value. A decrease in modern equivalent asset replacement will decrease the fair value. An increase in the cashflow from an asset will increase the fair value. A decrease in the cashflow from an asset will decrease the fair value.

Hotel business assets

Assets associated with the hotel, including land (revalued 2022).

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Discounted cash flow and income capitalisation rate approach performed by independent valuers based on forecast trading and capital expenditure estimates, and market evidence.	Discount rate 9.75% (2021: 9.25%) Income capitalisation rate 7.25% (2021: 7.0%)	+/- $3m for a change in discount rate by an absolute 0.5% +/- $3m for an absolute change in capitalisation rate of 0.25%	An increase in the discount rate used would decrease the fair value. An increase in the capitalisation rate will decrease the fair value.

Airport infrastructure assets

Infrastructure and Sealed Surfaces

Infrastructure and sealed surfaces including site services (revalued 2023).

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Optimised depreciated replacement cost – the cost of constructing equivalent asset at current market-based input cost rates, adjusted for the remaining useful life of the assets (depreciation) and the sub optimal usage of the assets in their current application (optimisation). These inputs are deemed unobservable.	Sealed Surfaces Unit costs of combined concrete and asphalt pavement construction sqm: Range of 2023: $273 – $396) with weighted average of $350 (2022: $304) Infrastructure Unit costs of road and footpaths construction sqm: Range of $20 – $124 (2022: $20 – $115) with weighted average of $81 (2022: $74) Unit costs of water and drainage construction m: Range of $256 – $1,574 (2021: $229 – $1,410) with weighted average of $612 (2022: $548)	+/- $18.7m (of a 5% change of cost estimate).	The critical elements in establishing the fair value of civil assets is the movement in the average cost rates for concrete, asphalt, base course and foundations, as well as the estimated remaining useful life of the assets: – An increase to any of the average cost rates listed above will increase the fair value; – A reduction in the estimated remaining useful life of the assets will reduce the fair value.

Car Parking

Assets associated with car parking, taxi, shuttle and bus services (including land) (revalued 2024).

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Discounted cash flow valuation performed by independent valuers based on: Internal management information such as forecast future revenues, costs and capital expenditure. – Assumptions such as the discount rate. These are based on management's judgement and arrived at in consultation with external experts. Both the internal management information and the discount rate are deemed to be unobservable inputs.	Revenue growth per annum 0.5% and 0.5% for the 10-year cashflow period from year 11 (2023: 0.5% and 0.5%). Cost growth per annum 2% for the 10-year cashflow period and 2% from year 11 (2023: 2% and 2%). Discount rate 8.9% post tax, 10-year cash flow period and 8.9% from year 11 (2023: 8.4% and 8.4%).	+/- $8.8m (of a 5% change in discount rate) +/- $0.8m (of a change in growth rate to either 0% or 1.0% for year 11 onwards).	An increase in vehicle numbers will increase the fair value. A decrease in vehicle numbers will decrease the fair value. An increase in the discount rate used would decrease the fair value. An increase in costs would decrease the fair value.

Enable's Optical fibre network

Enable's optical fibre network is measured at fair value. The revaluation undertaken at 30 June 2024, based on a range provided by independent valuers Deloitte, resulted in a net increase of $25 million (2023: increase of $59 million) in the carrying value. Deloitte and Enable management considered that the 10-year discounted cash flow (DCF) methodology was the most appropriate method of valuation for the optical fibre network.

The DCF methodology involved assessing:
– the future free cash flows of the business (excluding future expansionary capital expenditure and related revenue).
– a 10-year cash flow forecast with a terminal value determined by using either a Gordon Growth Model formula based on the FY34 projected free cash flows or a terminal Regulated Asset Base (RAB) multiple notionally assuming the assets are sold at the end of the 10 year period.
– discounting the cash flows using a discount rate based on weighted average cost of capital (WACC).
– whether there were any surplus assets.

The valuation of Enable's optical fibre network are sensitive to the inputs used in the discounted cash flow valuation model. A sensitivity analysis of key inputs is given in the table below.

Assumption change	Valuation movement up	Valuation movement down	Relationship of Unobservable Inputs to Fair Value
Connections +/- 1%	$15m	$15m	The higher the connections rate, the higher the fair value.
Average revenue per user +/- 1%	$15m	$15m	The higher the average revenue per user, the higher the fair value.
WACC +/- 0.5%	$62m	$74m	The higher the WACC, the lower the fair value.

LPC's property, plant and equipment

LPC's property, plant and equipment is measured at fair value with all classes of assets under the revaluation model considered part of one CGU, meaning they work together to generate cash flows. The port relies on the shipping channel; the inland ports are necessary for efficient operation; the marina, dry dock, and other inner harbour facilities are part of the CGU because they depend on the port's seawalls, breakwaters, and the support of other aspects of the port operations.

An internal fair value assessment was performed as at 30 June 2024, and as a result of this assessment no change was made to the carrying value of property, plant and equipment. A previous write down amounting to $190.5m was recognised in 2020.

LPC values its assets using the income approach, based on future cash flows. This method is best because the assets are interdependent and cannot be valued separately, so a single enterprise valuation is used.

LPC does not fully recover its Enterprise Value (EV) under the cost methodology in NZ IFRS 13 Fair Value Measurement.

The future cash flows, including expected profits and capital expenses, do not support valuing the assets using the Optimized Depreciated Replacement Cost (ODRC) method. Therefore, LPC uses the income approach as the best estimate of fair value for its fixed assets.

Certain assumptions are made for the EV model based on management's best estimates. Actual results and cash flow impacts could differ significantly.

The valuation does not include any major port expansions in the next 15 years. Volumes are capped at 560,000 twenty foot equivalent units (TEU). Cruise volumes are not expected to grow significantly.

A 15-year forecast period is used for cash flows, followed by a terminal value, due to the long-term nature of LPC's infrastructure. The expected net cash flows are discounted using a risk adjusted discount rate. The valuation is mainly driven by growth in container volume, margin improvement, capital expenditure, and the Weighted Average Cost of Capital (WACC) rate.

All LPC's property, plant and equipment are categorised as Level 3 in the fair value hierarchy.

Key assumptions	Range of significant unobservable inputs	
	2024	2023
EBITDA margin - Revenue/expense Inflation	28% -36% 2% - 4.5%	30% - 43% 2% - 8%
Container TEU growth rate - Container pricing Increases	2.7%-3.2% 3% - 4.5%	2.0% 3% - 24.4%
Terminal growth rate	2%	2%
Risk adjusted discount rate	7.60%	7.17%
Estimated capital expenditure	$493m	$701m

The valuation of LPC's property, plant and equipment is sensitive to the inputs used in the EV model. A sensitivity analysis of key inputs is given in the table below.

Assumption change	Valuation movement up	Valuation movement down	Relationship of Unobservable Inputs to Fair Value
Container pricing +/- 1%	$283m	$252m	The higher the container pricing, the higher the fair value.
WACC +/- 1%	$129m	$90m	The higher the WACC, the lower the fair value.
Capital expenditure +/- 10%	$65m	$70m	The higher the capital expenditure, the lower the fair value.
Container volumes +/- 1%	$30m	$44m	The higher the container volumes, the higher the fair value.
Inflation +/- 0.5%	$20m	$21m	The higher the inflation, the higher the fair value.

Orion's property, plant and equipment

Orion's electricity distribution system and the majority of Orion's land and buildings are measured at fair value. The revaluations undertaken in the year resulted in a net increase of $71m (2023: increase of $81m) in the carrying value. Electricity distribution system

Electricity distribution system

The electricity distribution system was revalued to fair value as at 31 March 2024, based on a valuation range provided by independent valuer Deloitte.

In the absence of an active market, Deloitte calculated fair value using Level 3 significant unobservable inputs using a DCF methodology and based its cash flow forecasts on Orion's cash flow forecasts and adjusted those forecasts to remove the impacts of expansionary growth on forecast future revenues, operating expenditure and capital expenditure, and to reflect Deloitte's estimates of the regulatory Weighted Average Cost of Capital (WACC) for RCP4 and RCP5.

Deloitte's key valuation assumptions were that:

– for the ten years ending 31 March 2034 estimated network revenues follow the Commerce Commission's building blocks approach, but exclude growth assumptions related to expansionary growth.

– for the five years ending 31 March 2030 network revenues will be reset to achieve returns based on the new expected regulatory parameters - reset regulatory WACC - on regulatory investment value, adjusted for any known or estimated wash-up amounts carried forward from the current regulatory period.

– the estimated DCF mid-point discount rate is 6.65% (nominal, post-tax). The discount rate is a matter of professional judgement. Deloitte has used the ten-year NZ government bond rate as at the valuation date as the basis of risk-free rate. This has been used in conjunction with a view of an appropriate post tax market risk premium. Deloitte has used the same level of asset beta and leverage to that set by the Commerce Commission for the five-year regulatory period commencing 1 April 2025.

The valuation of Orion's electricity distribution system is sensitive to the inputs used in the DCF valuation model. A sensitivity analysis of key inputs is given in the table below. The sensitivities are calculated by flexing a single variable at a time, noting that in practice the variables are inter-related within the regulatory framework.

Assumption change	Valuation movement up	Valuation movement down	Relationship of Unobservable Inputs to Fair Value
Capital expenditure +/- 5%	$51m	$51m	The higher the capital expenditure, the lower the fair value
Operating expenditure +/- 5%	$72m	$72m	The higher the operating expenditure, the lower the fair value
Discount rate +/- 0.5%	$158m	$132m	The higher the discount rate, the lower the fair value
Distribution revenue +/- 0.5%	$19m	$19m	The higher the distribution revenue, the higher the fair value

Land and other buildings

Buildings, comprising substation sites, head office land and building and Waterloo Road property, were revalued to fair value as at 31 December 2023, by Colliers International Limited. The methodologies and key assumptions used in valuing Orion's land and non-substation building assets included:

– selecting a representative sample Orion's substation sites and valued land at those sites using sales comparisons and unit metre frontage methodologies.
These values were compared with respective rateable values and comparisons used to develop standard site multipliers, which were applied to rateable land values for approximately 2,500 substation sites.

– valuing Orion's head office land and building using a market rental assessment and a capitalisation rate of 6.75% and comparing the result with recent market transactions.

– valuing Orion's Waterloo Road property using a market rental assessment and a capitalisation rate of 6.0% and comparing the result with recent market transactions.

Citycare, EcoCentral, and DCL

The net carrying value of the property, plant and equipment of these companies at 30 June 2024 comprised less than 2% (2023: less than 2%) of total Group property, plant and equipment. Assets of these companies are either independently revalued at regular intervals, or carried at cost less accumulated depreciation and impairment.

<u>Accounting policy for property, plant and equipment – depreciation and impairment</u>

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. Depreciation is generally recognised in profit or loss.

If a revalued asset is determined to be impaired, then the impairment is firstly applied against the revaluation reserve related to that asset, with any remaining impairment loss expensed in profit or loss. If the impairment loss is subsequently reversed, the reversal is firstly applied to profit or loss to the extent of previously expensed impairment losses relating to that asset, with any further increase taken to the revaluation reserve.

For assets that are not revalued, an impairment loss is expensed immediately in profit or loss. If an impairment loss is subsequently reversed, the carrying value of the asset is stated at not more than what its carrying value would have been had the earlier impairment not occurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are recognised through profit or loss. When revalued assets are sold, any revaluation reserve relating to the particular asset is transferred to retained earnings.

Depreciation is calculated on each item of property, plant and equipment (excluding land) over their expected useful lives.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Capital work in progress is not depreciated until commissioned. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are recognised through profit or loss. When revalued assets are sold, any revaluation reserve relating to the particular asset is transferred to retained earnings.

Venues Ōtautahi Limited

An independent valuer, Bayleys Valuations Limited, performed the most recent valuation of the buildings for the Christchurch Town Hall and Christchurch Arena at 30 June 2024. The opinion of the valuer was arrived at by a registered valuer (FPINZ), in accordance with PBE IPSAS 17 Property, Plant and Equipment.

The total fair value of the buildings assessed by Bayleys at 30 June 2024 was $230 million using a depreciated cost approach. There have been no optimisation adjustments for the most recent valuations and the remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans and experience with similar buildings.

As part of the valuation process replacement costs were reviewed including use of statistics NZ, PPI etc indices. In line with Venues Ōtautahi's accounting policy, the next valuation will be performed in line with Christchurch City Council's valuation as at 30 June 2027 unless the carrying values of Venues Ōtautahi's buildings is considered to differ materially from their fair value, in which case a revaluation will be undertaken at that time. Until the earlier of these revaluation events, the valuation undertaken in 2024 is considered to be fair and reasonable.

11 Intangible assets

Accounting Policy / Kaupapahere Kaute

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate. Negative goodwill arising on an acquisition is recognised directly in surplus or deficit.

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives. Costs associated with maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Council, and that will generate economic benefits exceeding costs beyond one year, are capitalised and recognised as intangible assets. Capitalised costs include the software development employee direct costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives. Other intangible assets that are acquired by the Council are stated at cost less accumulated amortisation (see below) and impairment losses.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and it meets the definition of, and recognition criteria for, an intangible asset. All other expenditure is expensed as incurred.

An intangible asset with a finite useful life is amortised on a straight-line basis over the period of that life. The asset is reviewed annually for indicators of impairment, and tested for impairment if these indicators exist. The asset is carried at cost less accumulated amortisation and accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised, but is tested for impairment annually, and is carried at cost less accumulated impairment losses.

For the purpose of assessing impairment indicators and impairment testing of non-financial assets, the Council classifies non-financial assets as either cash-generating or non-cash-generating assets. The Council classifies a non-financial asset as a cash-generating asset if its primary objective is to generate a commercial return. All other assets are classified as non-cash-generating assets. For intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date.

Impairment

For the purpose of assessing impairment indicators and impairment testing of non-financial assets, the Council classifies non-financial assets as either cash-generating or non-cash-generating assets. The Council classifies a non-financial asset as a cash-generating asset if its primary objective is to generate a commercial return. All other assets are classified as non-cash-generating assets. Impairment losses are recognised through surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

The carrying amounts of the Council's other assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount.

Carbon emission units

The Parent being a public benefit entity records carbon credits received from the Crown upon the registration of indigenous and exotic forest and plantations at historical cost. Group entities that prepare financial statements on the basis of "for profit" accounting standards record carbon emission units at fair value. The consolidated group financial statements are restated to historical cost for this class of intangible assets.

Useful lives

The following table highlights the useful of intangible assets, which drives the amortisation charge for each intangible asset category and intangible asset class.

Category	Estimated Useful Life	Category	Estimated Useful Life
Computer software licenses	>1-10 yrs	Resource consents and easements	5-25 yrs
Computer software development costs	>1-10 yrs	Patents, trademarks and licenses	10-20 yrs

11.1 Intangible assets

Parent 2024	Opening balances Cost/ valuation $000	Opening balances Accumulated amortisation $000	Opening balances Carrying amount $000	Current year Net movements $000	Closing balances Cost/ valuation $000	Closing balances Accumulated amortisation $000	Closing balances Carrying amount $000
Software	187,935	(120,382)	67,553	10,005	215,097	(137,539)	77,558
Work in progress (11.2)	24,731	-	24,731	(13,850)	10,881	-	10,881
Trademarks	3,304	(3,299)	5	-	3,304	(3,299)	5
Carbon credits				4,230	4,230	-	4,230
Other intangibles	12,054	(7,642)	4,412	2,862	16,613	(9,339)	7,274
Total Parent intangibles	**228,024**	**(131,323)**	**96,701**	**3,247**	**250,125**	**(150,177)**	**99,948**
Group 2024							
Goodwill	88,916	(41,807)	47,109	-	88,916	(41,807)	47,109
Easements & resource consents	4,844	(3,940)	904	1,559	6,525	(4,062)	2,463
Software	275,866	(191,674)	84,192	9,751	311,705	(217,762)	93,943
Work in progress (11.2)	30,071	-	30,071	(10,269)	19,802	-	19,802
Trademarks	3,304	(3,300)	4	-	3,304	(3,300)	4
Carbon credits	1,272	(920)	812	5,204	5,450	566	6,016
Other intangibles	43,549	(12,961)	30,128	(1,985)	50,365	(22,222)	28,143
Total Group intangibles	**447,822**	**(254,602)**	**193,220**	**4,260**	**486,067**	**(288,587)**	**197,480**

Parent 2024	Current year movements Additions $000	Additions from internal development $000	Net disposals/ Transfers $000	Net movement in WIP $000	Impairment charged to Surplus $000	Amortisation $000	Revaluation movement $000	Current year net movement $000
Software	29,235	-	(56)	-	-	(19,174)	-	10,005
Work in progress (11.2)	-	-	(4,168)	(9,682)	-	-	-	(13,850)
Carbon credits	-	-	-	-	-	-	4,230	4,230
Other intangibles	2,645	-	1,914	-	-	(1,697)	-	2,862
Total Parent intangibles	**31,880**	**-**	**(2,310)**	**(9,682)**	**-**	**(20,871)**	**4,230**	**3,247**
Group 2024								
Easements & resource consents	74	-	1,607	-	-	(122)	-	1,559
Software	35,395	-	2,461	-	-	(28,105)	-	9,751
Work in progress (11.2)	7,456	1,020	(9,063)	(9,682)	-	-	-	(10,269)
Carbon credits	-	-	(52)	-	106	920	4,230	5,204
Other intangibles	2,684	-	4,274	-	(14)	(8,929)	-	(1,985)
Total Group intangibles	**45,609**	**1,020**	**(773)**	**(9,682)**	**92**	**(36,236)**	**4,230**	**4,260**

Parent 2023	Opening balances			Current year	Closing balances		
	Cost/ valuation	Accumulated amortisation	Carrying amount	Net movements	Cost/ valuation	Accumulated amortisation	Carrying amount
	$000	$000	$000	$000	$000	$000	$000
Software	169,013	(102,789)	66,224	1,329	187,935	(120,382)	67,553
Work in progress (11.2)	18,241	-	18,241	6,490	24,731	-	24,731
Trademarks	3,304	(3,299)	5	-	3,304	(3,299)	5
Other intangibles	12,050	(6,451)	5,599	(1,187)	12,054	(7,642)	4,412
Total Parent intangibles	**202,608**	**(112,539)**	**90,069**	**6,632**	**228,024**	**(131,323)**	**96,701**
Group 2023							
Goodwill	46,333	(41,447)	4,886	42,223	88,916	(41,807)	47,109
Easements & resource consents	4,828	(3,942)	886	18	4,844	(3,940)	904
Software	249,873	(169,068)	80,805	3,387	275,866	(191,674)	84,192
Work in progress (11.2)	19,864	-	19,864	10,207	30,071	-	30,071
Trademarks	3,304	(3,300)	4	-	3,304	(3,300)	4
Carbon credits	2,375	(26)	2,349	(617)	1,272	460	1,732
Other intangibles	14,694	(8,040)	6,654	22,554	43,549	(14,341)	29,208
Total Group intangibles	**341,271**	**(225,823)**	**115,448**	**77,772**	**447,822**	**(254,602)**	**193,220**

Parent 2023	Current year movements						
	Additions	Additions from internal development	Net disposals/ Transfers	Net movement in WIP	Impairment charged to Surplus	Amortisation	Current year net movement
	$000	$000	$000	$000	$000	$000	$000
Software	21,606	-	(1,051)	-	-	(19,226)	1,329
Work in progress (11.2)	-	-	-	6,490	-	-	6,490
Other intangibles	4	-	-	-	-	(1,191)	(1,187)
Total Parent intangibles	**21,610**	**-**	**(1,051)**	**6,490**	**-**	**(20,417)**	**6,632**
Group 2023							
Goodwill	42,583	-	-	-	(360)	-	42,223
Easements & resource consents	16	-	120	-	-	(118)	18
Software	27,999	755	2,640	-	(62)	(27,945)	3,387
Work in progress (11.2)	7,541	-	(3,824)	6,490	-	-	10,207
Carbon Credits	5	-	(51)	-	(571)	-	(617)
Other intangibles	28,500	-	354	-	-	(6,300)	22,554
Total Group intangibles	**106,644**	**755**	**(761)**	**6,490**	**(993)**	**(34,363)**	**77,772**

11.2 Work in progress

Intangible assets under construction by class of asset is detailed below:

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
Software	10,881	24,731	19,802	30,071
Total intangibles work in progress	**10,881**	**24,731**	**19,802**	**30,071**

11.3 Goodwill

Accounting Policy / Kaupapahere Kaute

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

The carrying amount of goodwill allocated to cash-generating units (CGU) for the purposes of goodwill impairment testing is as follows:

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
(CCHL) Orion NZ Ltd	-	-	2,398	2,398
(CCHL) Enable Services Ltd	-	-	848	848
(CCHL) City Care Ltd	-	-	43,863	43,863
	-	**-**	**47,109**	**47,109**

11.4 Carbon emission units

Critical Judgements / Whakawa Tino

Carbon sequestration

The Parent has registered 83,770 hectares of regenerating indigenous forest on Banks Peninsula in the Te Oka reserve in the New Zealand Emission Trading Scheme (NZ ETS). The regenerating forest will sequester carbon and generate for the Parent a new asset class carbon emission units or New Zealand Units (NZU).

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
Cost - Opening balance	-	-	-	-
Additions	4,230	-	6,016	-
Net disposals	-	-	-	-
	4,230	**-**	**6,016**	**-**

Commentary / Korerotanga

Carbon emission units
The price of carbon as at 30 June 2024 was $50.50 per New Zealand Unit (NZU) (2023: $76.13). One NZU is equivalent to one (1) tonne of carbon dioxide equivalent (tCO_2-e).

12 Service concession arrangements

Accounting Policy / Kaupapahere Kaute

The Council may acquire infrastructural assets by entering into a service concession arrangement (SCA) with a private operator to build, finance, and operate an asset over a specified period.

Assets acquired through an SCA are initially recognised at their fair value, with a corresponding liability. The asset is subsequently measured following the accounting policies above for property, plant, and equipment.

The Council has only entered into SCAs whereby the Council pays for the services provided by the operator. The monthly payments to the operator are recognised according to their substance as a reduction in the liability for the build of the asset, a finance expense, and an expense for charges for services provided by the operator.

12.1 Service concession asset

The service concession assets were completed in February 2009 and were recognised at fair value by the Parent as part of its property, plant and equipment (see Note 10). The building and plant & machinery had an estimated useful life of 30 years and 20 years, respectively, and are depreciated on a straight-line basis.

	Parent		Group	
	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
	$000	$000	$000	$000
Service concession asset				
Fair value of service concession asset on initial recognition	11,037	11,037	-	-
Accumulated depreciation to date	(7,904)	(7,391)	-	-
Net book value	**3,133**	**3,646**	**-**	**-**

12.2 Service concession liability

The Parent also recognised $11.0 million of liability in relation to the service concession arrangement at the same time it recognised the service concession assets. This liability is reversed as a revenue equally over the term of the arrangement consistent with the Grant of a right to the operator model under PBE IPSAS 32. The service concession liability is included in the Parent's Other liabilities under Note 26.

		Parent		Group	
		30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
		$000	$000	$000	$000
Service concession liability					
Opening balance		429	1,164	-	-
Service concession revenue recognised		(429)	(735)	-	-
Closing balance		**-**	**429**	**-**	**-**
Total current service concession liability	26	-	429	-	-
		-	**429**	**-**	**-**

Commentary / Korerotanga

In May 2008 the Parent (as grantor) entered into an arrangement with an operator to construct the Material Recovery Facility (MRF) located at 21 Parkhouse Road. The arrangement required the operator to build, own and operate the service concession assets (composing of building and plant & machinery) for a period of 15 years. After 15 years, the ownership of the service concession assets will be transferred to the Parent at no cost. The current operator is EcoCentral Limited.

During the 15 year period, the operator will earn revenue from operating the MRF while the Parent continues to control the use of the service concession assets as specified in the agreement.

There have been no changes in the service concession arrangement during the current period.

13 Commitments and operating leases

Accounting Policy / Kaupapahere Kaute

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
(a) Capital and other operating commitments				
Capital commitments				
Property, plant and equipment	461,114	705,302	469,173	736,921
Electricity distribution network	-	-	36,788	69,866
Intangible assets	1,937	3,410	2,214	3,515
Other	-	-	7,955	2,157
Total capital commitments	**463,051**	**708,712**	**516,130**	**812,459**
Other operating commitments				
Other operating commitments	35,890	52,108	35,890	52,108
(b) Non cancellable operating lease liabilities				
No later than one year	1,454	1,267	14,221	21,719
Later than one year and not later than five years	5,037	5,048	52,791	77,394
Later than five years	11,784	12,532	64,377	117,531
Total non-cancellable operating lease liabilities	**18,275**	**18,847**	**131,389**	**216,644**
(c) Non cancellable operating lease receivables				
No later than one year	23,247	24,202	69,779	82,260
Later than one year and not later than five years	80,256	79,480	166,286	233,707
Later than five years	363,217	370,633	226,032	397,882
Total non-cancellable operating lease receivables	**466,720**	**474,315**	**462,097**	**713,849**

Commentary / Korerotanga

Capital commitments and other operating commitments
The property plant and equipment commitment above includes the Parent’s commitments for anchor projects including $279.7 million for the construction of the One New Zealand Stadium at Te Kaha (2023: $477.9 million), $14.3 million for the Performing Arts Precinct (2023: $37.6 million) and $15.6 million for Robert McDougall Gallery (2023: $12.2 million).

Infrastructure works
The Parent has a $1.0 million (2023: $2.1 million) capital commitment with Connetics for power and lighting renewals and a $11.0 million (2023: $13.2 million) capital commitment with City Care for three waters and waste renewals.

Non-cancellable operating lease liabilities
The Parent leases computer equipment, property, and a number of car parks across the City. These leases have various terms of renewal, but no purchase options and escalation clauses. There are no restrictions placed upon the Parent by entering into these leases.

The majority of the Group account for leases pursuant to “for profit” standard NZ IFRS 16 Leases. These finance leases are restated to conform to PBE IPSAS 13 Leases.

Non-cancellable operating lease receivables
The Parent leases properties to various parties, with the OCHT contract for the lease and management of social housing units forming the bulk of this amount. The lease with OCHT is for 27 years commencing 2018.

CIAL and LPC lease properties to various parties. The terms of the leases vary and the majority are renewable.

14 Assets held for sale

Accounting Policy / Kaupapahere Kaute

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. Further, the liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single amount.

	Parent		Group	
	30 Jun 24 $000	**30 Jun 23 $000**	**30 Jun 24 $000**	**30 Jun 23 $000**
Land and buildings held for sale	11,648	187	11,648	187
Plant and equipment held for sale	-	-	10	48
Total amounts held for sale	**11,648**	**187**	**11,658**	**235**

Commentary / Korerotanga

The Parent has recognised land and buildings held for sale which includes a portion of the strategic land assets that were reviewed as a part of the Long-Term Plan 2021 – 2031. These properties have been assessed as no longer required by the Parent and some are being actively marketed for sale, while other are required to go through an offer back or first right of refusal process with previous owners.

15 Investment property

Accounting Policy / Kaupapahere Kaute

Investment properties are properties which are held either to earn rental revenue or for capital appreciation or for both. Investment properties generate cash flow largely independent of other assets held by the entity.

Properties leased to third parties under operating leases are generally classified as investment property unless the occupants provide services that are integral to the operation of the Council's business and/or these services could not be provided efficiently and effectively by the lessee in another location, the property is being held for future delivery of services, the lessee uses services of the Council and those services are integral to the reasons for the lessee's occupancy of the property.

Properties that are held for a currently undetermined future use, or that are vacant but held to be leased out under one or more operating leases, are classified as investment properties.

Investment properties are stated at fair value. An external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio every year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

Any gain or loss arising from a change in fair value is recognised through surplus or deficit.

Rental revenue from investment property is accounted for as described in the Revenue Policy.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately before transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal, the gain is transferred to retained earnings. Any loss arising in this manner is recognised immediately in surplus or deficit.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for subsequent recording. When the Council begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on the fair value model, and is not reclassified as property, plant and equipment during the re-development.

	Parent		Group	
	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
	$000	$000	$000	$000
Balance at beginning of financial year	-	-	768,622	728,089
Net transfer from property, plant & equipment	-	-	9,952	6,225
Additional capitalised expenditure	-	-	9,850	39,321
Net gain/(loss) from fair value adjustments	-	-	15,450	(5,013)
Balance at end of financial year	-	-	**803,874**	**768,622**

Commentary / Korerotanga

The Parent has no investment properties.

Christchurch International Airport Limited

The valuation of CIAL's investment property as at 30 June 2024 was completed by Crighton Anderson Property and Infrastructure Ltd, trading as Colliers International Ltd, registered valuers and member of the New Zealand Property Institute. The basis of valuation is fair value, being the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The valuation methodologies used were a direct sales comparison or a direct capitalisation of rental income using market comparison of capitalisation rates, supported by a discounted cash flow approach. The valuation methodologies are consistent with the prior year.

Principal assumptions used in establishing the valuations were:

- Average rental yield rate 6.60% (2023: 6.22%). Rental yield range 0.93% - 10.99% (2023: 0.07% - 10.48%)
- Average market capitalisation rate 6.81% (2023: 6.22%). Market capitalisation rate range 4.15% - 10.52% (2023: 4.01% - 10.05%)
- Weighted average lease term 5.76 years (2023: 6.14 years)

Rental ranges in aggregate across the different property asset types were as follows:

Asset Type	2024 rental range	2023 rental range
Office	$190-$270/sqm	$180-$260/sqm
Warehouse	$100-$165/sqm	$80-$160/sqm

Fair value hierarchy

Asset classification and description	Valuation approach	Key valuation assumptions	Fair value hierarchy level	Valuation sensitivity
Investment Properties are land and buildings which are owned to earn rental income, for capital appreciation or both.	The income-based valuation approach is used.	Land is included when infrastructure services are available and future development is expected within the next 3 years.	3	+ $32.5m/-$35.9m (of a 5% change of capitalisation rate)

Level 3 Asset Classification	Sensitivity of significant unobservable inputs
Investment Properties	An increase in the cash flow from an asset will increase the fair value of the asset and a decrease in the cash flow from an asset will decrease the fair value of the asset

RBL Property

The valuation of RBL's investment property as at 30 June 2024 was completed by Colliers using was a direct sales comparison method.

The principal assumption used in establishing the valuation was:
- $ per square metre $725. Range of $ per square metre $700 - $750

Sensitivity analysis

Assumption change	Valuation movement up	Valuation movement down
Valuation of land per square metre +/- $100	$2.7m	$2.7m

16 Cash and cash equivalents

Accounting Policy / Kaupapahere Kaute

Cash and cash equivalents are classified as financial assets at amortised cost.

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of Council's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and in current liabilities on the statement of financial position.

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
Cash and cash equivalents	127,347	160,694	222,267	266,674
Cash and cash equivalents (USD)	-	-	272	267
Cash and cash equivalents (EUR)	-	-	9	-
Cash and cash equivalents (AUD)	-	-	-	62
Overdraft	-	-	3	-
Total cash and cash equivalents	**127,347**	**160,694**	**222,551**	**267,003**

Commentary / Korerotanga

Cash is held to meet working capital and liquidity requirements.

17 Inventories

Accounting Policy / Kaupapahere Kaute

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventories held for distribution at no charge, or for a nominal amount, are stated at the lower of cost and current replacement cost.

The cost of other inventories is based on the first-in, first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Inventory includes non-commercial spare parts associated with water supply and waste water reticulation and traffic signals.

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
(a) Current inventories				
Inventory - raw materials and maintenance items	-	-	22,066	20,234
Inventory - finished goods	3,222	3,742	13,871	14,914
	3,222	3,742	35,937	35,148
Inventory - allowance for impairment	-	-	(221)	(257)
Total current inventories	**3,222**	**3,742**	**35,716**	**34,891**
(b) Non current inventories				
Inventory - finished goods	-	-	6,045	3,875
	-	**-**	**6,045**	**3,875**

Commentary / Korerotanga

There was no write-down of inventory during the year (2023: $nil). There have been no reversals of previous write-downs (2023: $nil). No inventory is pledged as security for liabilities (2023: $nil). However, some inventory is subject to retention of title clauses.

18 Investment in CCOs and other similar entities

Accounting Policy / Kaupapahere Kaute

Investments in CCOs are measured using the following methods:

- Loans advances and investment in CCOs bond are measured at amortised cost,
- Equity investments in subsidiaries and unlisted shares are measured as fair value through other comprehensive revenue and expense, and
- Investment in LGFA Borrower Notes are measured at fair value through surplus and deficit based on future cashflows and prevailing market interest rates.

		Parent		Group	
		30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
		$000	**$000**	**$000**	**$000**
Current					
Loans advanced to CCOs	18.1	132,916	125,900	-	-
Borrower notes	18.3	5,710	7,779	5,710	7,779
		138,626	**133,679**	**5,710**	**7,779**
Non-current					
Loans advanced to CCOs	18.1	601,793	585,509	-	-
Investment in CCOs bond	18.2	8,700	8,700	-	-
Borrower notes	18.3	47,466	41,447	47,466	41,448
Share investment in subsidiaries	18.4	3,632,094	3,409,088	-	-
Share investment in other CCOs	18.5	10,666	9,343	10,666	9,343
		4,300,719	**4,054,087**	**58,132**	**50,791**
Total investment in CCOs		**4,439,345**	**4,187,766**	**63,842**	**58,570**

18.1 Loans advanced to CCOs

The average effective interest rate on the loans advanced to CCOs is 5.95 per cent (2023: 5.89 per cent).

	Parent	
	30 Jun 24	**30 Jun 23**
	$000	**$000**
Current		
Christchurch City Holdings Ltd	130,200	124,500
Civic Building Ltd	2,716	-
Venues Otautahi Ltd	-	1,400
	132,916	**125,900**
Non-current		
Christchurch City Holdings Ltd	551,000	532,700
Civic Building Ltd	47,608	50,324
Venues Otautahi Ltd	3,185	2,485
	601,793	**585,509**
Total loans advanced to CCOs	**734,709**	**711,409**

18.2 Investment in CCO bond

Council holds an investment in a Christchurch City Holdings Limited (CCHL) listed bond maturing 6 April 2028, paying a fixed interest rate of 5.043% per annum (NZX reference CCH040).

	Parent	
	30 Jun 24	**30 Jun 23**
	$000	**$000**
Non-current		
CCHL Bond	8,700	8,700
Total Investment in CCO bond	**8,700**	**8,700**

18.3 Borrower Notes

Borrower Notes are interest-bearing investments in LGFA, made in proportion to Council's borrowing from LGFA. In the 2023/24 financial year, Council's new investment in Borrower Notes amounted to 2.5% of its new borrowing from LGFA.

Borrower notes are fair valued based on future cash flows and prevailing market interest rates.

During the year $7.7 million of borrower notes matured (2023: $6.5 million) and $17.01 million of borrower notes were purchased (2023: 13.1 million).

18.4 Share investment in subsidiaries

	Parent	
	30 Jun 24	**30 Jun 23**
	$000	**$000**
Christchurch City Holdings Ltd	3,400,993	3,165,534
ChristchurchNZ Holdings Ltd	1,960	2,208
Civic Building Limited	40,993	40,893
Venues Ōtautahi	188,148	200,453
Total share investments in CCOs	**3,632,094**	**3,409,088**

Commentary / Korerotanga

The valuation of the parent's investments in its subsidiary companies relies, in part, on publicly available information, management forecasts and other information provided by the respective companies based on the prevailing economic, market and other conditions as at 30 June 2024.

Independent valuer and key assumptions

Company	Detail
Christchurch City Holdings Limited (CCHL)	Full valuation date: 30 June 2024 Independent valuer: Deloitte Valuation methodology: Sum-of -parts (consolidation) methodology **Key valuation assumptions:** - Combines the equity value of each of the subsidiaries as the investment portfolio of CCHL. - Any valuation uncertainty in the underlying subsidiaries manifests itself in the value of this portfolio and therefore impacts the value of CCHL.

Orion New Zealand Limited	CCHL ownership: 89.275% Full valuation date: 30 June 2024 Independent valuer: Deloitte Valuation methodology: Market based approach **Key valuation assumptions:** - Deloitte used a market based approach consistent with the prior year and cross checked this with a discounted cash flow methodology. - A market based approach has enchanced reliability due to the sale of Eastland Network to First Gas in late 2022, which provides a very recent and comparable transaction multiple. - Orion's network business has been valued as a multiple of RAB (1.3x-1.5x), which is a common metric applied to regulated businesses.

The following Sensitivity table shows analysis on the 89.275% shareholding value if different assumptions were applied:

Change in	**Decrease $000**	**Increase $000**
RAB Multiple (+ or - 0.1x)	(140,000)	140,000
RAB (+ or - 2.5%)	(49,000)	49,000

Christchurch International Airport Limited	CCHL ownership: 75% Full valuation date: 30 June 2024 Independent valuer: Deloitte Valuation methodology: Combination of discounted cashflow for the airport operations and net asset value approach for the investment properties portfolio. **Key valuation assumptions:** <u>Airport operation</u> - Forecast cash flows for CIAL for the next ten years and a terminal cash flow were assessed and discounted back to valuation date - A weighted average cost of capital (WACC) of 8.01% post-tax was used to discount its future cash flows. -The terminal value is an estimate of the value of a life long business beyond the explicit forecast period. The terminal value assumes a business will grow at a set rate beyond the explicit forecast period. Deloitte applied a terminal growth rate of 2%. This effectively assumes that the business will continue at the previous year's capacity and the level of earnings will increase by inflation each year. <u>Investment property portfolio</u> Land and buildings not associated with the airport operations (properties classified as investment properties and surplus land held by CIAL), was valued on a net asset basis, on the grounds that: - a ready market exists for property and hence direct valuation methods for individual assets are available; - hypothetically these assets could be sold without materially affecting the core airport operations; and - some assets are held for strategic purposes and hence their value under an earnings approach may be understated.

The following Sensitivity table shows analysis on the 75% shareholding value if different assumptions were applied:

Change in	Decrease $000	Increase $000
Revenue(+ or - 5%)	(106,000)	106,000
WACC (+ or - 0.5%)	86,000	(73,000)
Capital expenditure (+ or - 5%)	11,500	(11,500)
Operating expenditure (+ or - 5%)	41,000	(41,000)

Lyttelton Port Company Limited

CCHL ownership: 100%
Fully valuation date: 30 June 2024
Independent valuer: Deloitte
Valuation methodology: Discounted cash flow methodology
Key valuation assumptions:
- LPC's forecast cash flows for the next 15 years and a terminal cash flow were assessed and discounted back to valuation date
- A weighted average cost of capital (WACC) of 7.71% post-tax was used to discount its future cash flows.
-A terminal growth rate of 2% has been applied.

The following Sensitivity table shows analysis if different assumptions were applied:

Change in	Decrease $000	Increase $000
Revenue(+ or - 5%)	(153,000)	153,000
WACC (+ or - 0.5%)	58,000	(49,000)
Capital expenditure (+ or - 5%)	23,000	(23,000)
Operating expenditure (+ or - 5%)	102,000	(102,000)

Enable Services Limited

CCHL ownership: 100%
Full valuation date: 30 June 2024
Independent valuer: Deloitte
Valuation methodology: Discounted cash flow methodology
Key valuation assumptions:
-A 10 year cash flow forecast with a terminal value has been utilised. The cashflow has been built up by Enable's management team and forms the basis for their current five year business plan. Enable's forecast models include management assumptions about long run growth rates, uptake and capital expenditure. The models also covers the base forecast and two alternate operating scenarios covering more difficult market conditions.
- A weighted average cost of capital (WACC) of 7.56% post-tax was used to discount its future cash flows.

The following Sensitivity table shows analysis if different assumptions were applied:

Change in	Decrease $000	Increase $000
Revenue (+ or - 5%)	(94,000)	94,000
WACC (+ or - 0.5%)	99,000	(83,000)
Capital expenditure (+ or - 5%)	14,000	(14,000)
Operating expenditure (+ or - 5%)	25,000	(25,000)

City Care Limited

CCHL ownership: 100%
Full valuation date: 30 June 2024
Independent valuer: Deloitte
Valuation methodology: Discounted cash flow methodology and Net Realisable Value
Key valuation assumptions:
- Citycare's forecasts for its separate business units for the next five years and a terminal cash flow were assessed and discounted back to valuation date, with the results checked against net realisable value of the busines unit's assets.
- A weighted average cost of capital (WACC) of 10.37% post-tax for the Water, Property, Apex and Spencer Henshaw part of the business, were used to discount its future cash flows.
-A terminal growth rate of 2% has been applied across the business.

The following Sensitivity table shows analysis if different assumptions were applied:

Change in	Decrease $000	Increase $000
Gross Profit(+ or - 5%)	(38,000)	38,000
WACC (+ or - 0.5%)	10,000	(9,000)
Capital expenditure (+ or - 5%)	4,000	(4,000)
Overhead expenditure (+ or - 5%)	27,000	(27,000)

	EcoCentral Limited	CCHL ownership: 100% Full valuation date: 30 June 2024 Independent valuer: Deloitte Valuation methodology: Discounted cash flow methodology **Key valuation assumptions:** - On 20th December 2023, Eco Central and CCC reached an agreement on the contract variation through to 31 March 2029. - The 5 year extension provided clarity and certainity of the contractual term and as a result the 2024 valuation assessment is based on the updated contract term. - A weighted average cost of capital (WACC) of 8.0% post-tax was used to discount future cash flows in the current contract term.
	RBL Property Limited	CCHL ownership: 100% Full valuation date: 30 June 2024 Independent valuer: Deloitte Valuation methodology: Net assets (net realisable value) methodology **Key valuation assumptions:** - RBL Property only held the remaining residual assets of the former Red Bus business- the land and depot. - It was considered appropriate to value RBL Property on a net asset orderly realisation basis.
	Development Christchurch Limited	CCHL ownership: 100% Full valuation date: 30 June 2024 Independent valuer: Deloitte Valuation methodology: Net assets (net realisable value) methodology **Key valuation assumptions:** - As at June 2024, DCL primarily held land, inventory and cash balances. DCL's land has been independantly valued by specialist property valuers without a history of stable earnings or positive operating cash flows.
Venues Otautahi Limited		Full valuation date: 30 June 2024 Independent valuer: Deloitte Valuation methodology: Net assets (net realisable value) methodology **Key valuation assumptions:** - An asset based indicative valuation estimates the proceeds that would be available from an orderly realisation of VO's assets, to imply the value of the shares in VO. -Deloitte valuation assessment was based on the 30 April 2024 balance sheet and assumed to approximate the 30 June 2024 financial position.
ChristchurchNZ Holdings Limited		Full valuation date: 30 June 2024 Independent valuer: Deloitte Valuation methodology: Net assets (net realisable value) methodology **Key valuation assumptions:** - An asset based indicative valuation estimates the proceeds that would be available from an orderly realisation of CNZHL's assets, to imply the value of the shares in CNZHL. - Deloitte valuation assessment was based on the 30 June 2024 forecast balance sheet.
Civic Building Limited		Full valuation date: 30 June 2024 Independent valuer: Deloitte Valuation methodology: Net realisable asset valuation methodology **Key valuation assumptions:** - An asset based indicative valuation estimates the proceeds that would be available from an orderly realisation of CBL's assets, to imply the value of the shares in CBL. - Deloitte valuation assessment was based on the 30 April 2024 balance sheet and assumed to approximate the 30 June 2024 financial position.

18.5 Share investment in other CCOs and other entities

Share investment in other CCOs are reflected at fair value and include:

- $1.5 million (2023: $1.5 million) in Civic Financial Services Limited (formerly New Zealand Local Government Insurance Corporation) determined by using the asset valuation from their latest published accounts as at 31 December 2023
- $9.1 million (2023: $8.7 million) in Local Government Funding Agency determined on their net asset backing as at 31 December 2023; and
- $1.3 million (2023: $1.3 million) in Theatre Royal Charitable Foundation determined on discounted cash flow as at 30 June 2024 excluding provision for expected credit loss.

19 Investments in associates and joint arrangements

Accounting Policy / Kaupapahere Kaute

Associates are entities over which the Council has significant influence but not control, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights.

Investments in associates are accounted for in the parent's financial statements using the cost method and in the consolidated financial statements using the equity method, after initially being recognised at cost. The Council's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Council's share of its associates' post-acquisition profits or losses is recognised in the surplus or deficit, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent's surplus or deficit, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Council's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Council does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Council and its associates are eliminated to the extent of the Council's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Council.

Joint ventures are those over whose activities the Group has joint control and established by contractual agreement. The Group's share of the assets, liabilities, revenues and expenses of any joint venture is incorporated into the Group's financial statements on a line-by-line basis.

The following entity is included in the Group through equity accounting:

Name of entity	**Country of Incorporation**	**Effective Ownership Interest**	
		30 Jun 24	**30 Jun 23**
Transwaste Canterbury Ltd - Parent	NZ	38.9%	38.9%
Christchurch Civic Building Joint Venture (CCBJV)	NZ	50.0%	50.0%
Leisure Investments NZ Limited Partnership	NZ	54.7%	54.6%

No public price quotations exist for this investment.

19.1 Associates and joint arrangements

		Parent		**Group**	
		30 Jun 24 $000	**30 Jun 23 $000**	**30 Jun 24 $000**	**30 Jun 23 $000**
Balance at start of year		6,196	6,196	12,095	13,206
Share of total recognised revenues and expenses	19.2	-	-	5,657	6,081
Dividends from associates and joint ventures		-	-	(4,687)	(7,142)
Share of revaluations		-	-	(80)	(50)
Balance at end of year		**6,196**	**6,196**	**12,985**	**12,095**

Commentary / Korerotanga

There is no goodwill included in the carrying value of associates (2023: Nil).

Transwaste Canterbury Limited
The Parent has a 39 per cent ownership interest in Transwaste. Transwaste was incorporated in March 1999 to select, consent, develop, own and operate a non-hazardous regional landfill in Canterbury. The landfill opened in June 2005. With a 39 per cent interest the Council has significant influence but cannot control the operations therefore accounts for it as an associate.

Christchurch Civic Building Joint Venture (CCBJV)
CCBJV is in a joint venture partnership between Civic Building Limited and NTPL for the ownership of a property in Hereford Street Christchurch. A 50 per cent share is accounted for in CBL for the joint venture.

19.2 Transwaste Canterbury Limited

	Group	
	30 Jun 24	**30 Jun 23**
	$000	**$000**
Assets	76,874	72,011
Liabilities	39,822	37,245
Revenue	73,581	63,796
Comprehensive revenue and expense	14,542	15,632
Share of total recognised comprehensive revenue and expense	5,657	6,081

20 Financial instruments

Accounting Policy / Kaupapahere Kaute

Financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the assets (other than financial assets at fair value through surplus or deficit). Transaction costs directly attributable to the acquisition of financial assets at fair value through surplus or deficit are recognised immediately in surplus or deficit.

The Council classifies its investments in the following categories:

Financial assets measured at amortised cost

Financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on the principal amount outstanding are subsequently measured at amortised cost.

Fair value through other comprehensive revenue or expense (FVTOCRE)

Financial assets held for collection of contractual cash flows and for selling where the cash flows are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCRE.

Changes in the carrying amount subsequent to initial recognition as a result of impairment gains or losses, foreign exchange gains and losses and interest revenue calculated using the effective interest method are recognised in other comprehensive revenue and expenses. When these financial assets are derecognised, the cumulative gains or losses previously recognised in other comprehensive revenue and expense are reclassified to surplus or deficit.

On initial recognition the Council may make the irrevocable election to designate investments in equity investments as at FVTOCRE. Designation at FVTOCRE is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which PBE IFRS 3 applies. Subsequent to initial recognition equity investments at FVTOCRE are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive revenue and expense. The cumulative gain or loss will not be reclassified to surplus or deficit on disposal of the equity investments, instead, they will be transferred to accumulated surplus.

Fair value through surplus or deficit

By default, all other financial assets not measured at amortised cost or FVTOCRE are measured at fair value through surplus or deficit.

Financial assets at fair value through surplus or deficit are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in surplus or deficit to the extent they are not part of a designated hedging relationship.

The net gain or loss recognised in surplus or deficit includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The Council recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost or at FVTOCRE. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all other financial instruments, the Council recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Council measures the loss allowance for that financial instrument at an amount equal to 12 months of ECL.

The assessment of whether ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition, instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the ECLs that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represent the portion of lifetime ECL that are expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Council's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial instruments) and adjusted for expected credit loss. Receivables with a short duration are not discounted.

20.1 Other financial assets

Accounting Policy / Kaupapahere Kaute

Other financial assets are measured using the following methods:

- Community loans and other loan advances to non-CCOs are measured at fair value through surplus or deficit except for the OCHT development loan which is measured at amortised cost,
- Term deposits are measured at amortised cost,
- Derivative assets are measured as described in Note 20.4, and
- Share investments in non-CCOs are measured at fair value through other comprehensive revenue and expense.

		Parent		Group	
		30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
		$000	$000	$000	$000
Community loans	20.2	46,872	46,265	3,343	2,786
Loans advanced to non-CCOs		-	-	13,096	22,547
Term deposits		-	30,000	28,622	36,769
Derivative financial instrument assets*	20.4	27,423	40,661	85,723	119,438
Share investment in non-CCOs		228	904	519	1,193
Total other financial assets*		**74,523**	**117,830**	**131,303**	**182,733**
Total current other financial assets*		189	32,833	39,706	51,522
Total non-current other financial assets*		74,334	84,997	91,597	131,211
		74,523	**117,830**	**131,303**	**182,733**

* The comparative balances have been restated to reflect a correction of the prior year. Refer to Prior Period Error – Reclassification of Derivative financial instrument note in 20.4

Commentary / Korerotanga

Group loans advanced to non-CCOs relate to loans advanced by CCHL to Christchurch Engine Centre which is carried at fair value. The loan is contracted in USD with USD8 million @ 0.6068 (2023: USD14 million @ 0.6065).

Share investments in non-CCOs are carried at their fair value based on future cash flows at a discount rate of 5.18 per cent (2023: 5.13 per cent). The change in discount rate used in the fair value calculation resulted in a net movement up $0.08 million (2023: down of $0.08 million) in the value of the equity securities.

Derivative financial instruments include interest rate swaps and forward foreign exchange contracts. These are discussed in Note 20.4.

20.2 Community loans

	Note	Parent		Group	
		30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
		$000	**$000**	**$000**	**$000**
Principal		97,323	94,048	10,137	7,553
Principal repaid		(1,293)	(452)	(1,293)	(452)
Accumulated fair value adjustments		(33,386)	(31,348)	(1,277)	(1,077)
Balance at 1 July		**62,644**	**62,248**	**7,567**	**6,024**
Amount of new loans granted during the year		2,545	3,315	2,545	2,625
Fair value adjustment on initial recognition		(878)	(777)	(878)	(777)
Loans repaid during the year (principal and interest)		(2,238)	(496)	(2,238)	(495)
Unwind of discount and interest charged		(793)	(1,646)	(1,296)	190
Balance before expected credit loss adjustment		**61,280**	**62,644**	**5,700**	**7,567**
Opening loss allowance at 1 July		(16,379)	(17,240)	(4,781)	(3,987)
Loss allowance movement		1,971	861	2,424	(794)
Closing loss allowance at 30 June		**(14,408)**	**(16,379)**	**(2,357)**	**(4,781)**
Balance community loans 30 June	20.1	**46,872**	**46,265**	**3,343**	**2,786**

Commentary / Korerotanga

The Parent's community loans scheme is designed to help organisations to develop or improve new or existing facilities and other major projects that benefit the community. Loans are for a maximum of 10 years and interest is between 0% - 5.4% per annum including non-interest bearing loans with a face value of $52.7 million (2023: $50.6 million). Loans are advanced to the Ōtautahi Community Housing Trust, Theatre Royal Charitable Foundation, Christchurch Stadium Trust, Piano Centre for Music and Arts, Canterbury Cricket Trust, and other community groups.

The fair value of loans at initial recognition has been determined using cash flows over the term of the loan discounted at the Parent’s effective borrowing cost of 5.18% (2023: 5.13%). Subsequent impairments (if any) are based on the loan recipient's assessed financial risk factors, the impact of which in 2024 is a downward movement of $0.8 million. The overall fair value of community loans is $46.9 million (2023: $46.3 million). During the year $2.5 million of loans were issued and $2.2 million were repaid.

20.3 Borrowings and other financial liabilities

Accounting Policy / Kaupapahere Kaute

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in surplus or deficit over the period of the borrowings on an effective interest basis.

Derivative Financial Instruments

The Council uses derivative financial instruments to hedge its exposure to interest rate and foreign exchange risks arising from operational, financing and investment activities, in accordance with the treasury policies of the respective Group entities. The Council does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially and subsequently at fair value. Changes in fair value are recognised immediately in surplus or deficit. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedge relationship. (see Note 20.4)

		Parent		Group	
		30 Jun 24 $000	30 Jun 23 $000	30 Jun 24 $000	30 Jun 23 $000
Borrowings from external parties		2,489,338	2,181,045	4,159,594	3,807,565
Borrowings from group entities		758	-	-	1
Finance lease liabilities	22	80,509	84,757	54,957	51,823
Total borrowings		**2,570,605**	**2,265,802**	**4,214,551**	**3,859,389**
Derivative financial instrument liabilities*		-	-	1,998	5,058
Total borrowings and other financial liabilities*		**2,570,605**	**2,265,802**	**4,216,548**	**3,864,447**
Total current borrowings		300,729	381,671	859,885	794,668
Total non-current borrowings		2,269,876	1,884,131	3,354,666	3,064,721
Total borrowings		**2,570,605**	**2,265,802**	**4,214,551**	**3,859,389**
Total current borrowings and other financial liabilities*		300,730	381,671	859,884	797,694
Total non-current borrowings and other financial liabilities*		2,269,875	1,884,131	3,356,664	3,066,753
Total borrowings and other financial liabilities*		**2,570,605**	**2,265,802**	**4,216,548**	**3,864,447**

* The comparative balances have been restated to reflect a correction of the prior year. Refer to Prior Period Error – Reclassification of Derivative financial instrument note in 20.4

Commentary / Korerotanga

Parent

The Parent's borrowing from external parties is comprised of debt securities issued at either floating or fixed interest rates: Floating rate debt amounts to $2,124 million (2023: $2,020 million), with interest based on the three month bank bill reference rate plus a weighted average margin of 0.64% (2023: 0.61%); Fixed rate debt amounts to $366 million (2023: $161 million), at a weighted average interest rate of 4.50% (2023: 3.05%). Borrowings mature at different intervals, ranging from 2024 to 2033.

Council has entered into interest rate swap contracts to hedge the floating interest rate risk on this external borrowing (see Note 20.6 for Council's risk management strategy). $1,196 million of such contracts were current at financial year-end, and a further $345 million were contracted to start in future periods (usually to coincide with the expiry of current contracts). The overall effective weighted average interest rate paid by Council on its external borrowings at financial year-end (including floating rate debt, fixed rate debt, and the impact of interest rate swap hedging contracts) was 5.32% (2023: 5.27%).

During the financial year, the Parent borrowed $680.2 million (2023: $523.8 million) to advance to subsidiaries, refinance debt maturities and fund capital expenditure. A total of $371.9 million (2023: $372.2 million) of debts were repaid during the year.

Council also has $200 million of committed bank facilities to support its liquidity position. These facilities expire between December 2025 and December 2026, and none had any drawings at financial year-end.

The Parent's debts are secured over its rates income.

In addition to external borrowings, the Parent has borrowed a total of $91.5 million (2023: $61.5 million) from its Capital Endowment Fund with terms ranging between 1 - 4 years. Interest of $2.7 million (2023: $2.5 million) was charged by the Fund.

Group

Christchurch City Holdings Limited

Nature of debt	2024 $m	Average rate %	Maturity	2023 $m
Floating rate notes	50	6.00%	2025	95
Loans from CCC	681	5.88%	2024-2032	657
Bonds	447	3.88%	2024-2028	443
Commercial paper	60	5.68%	2024	60
Undrawn borrowing facility	100		2025	100

All borrowings at 30 June 2024 are unsecured. CCHL has issued uncalled capital of $1.5b (2023: $1.5b) to support it's borrowings.

Bonds and Floating rate notes are issued under a Master Trust Deed. Fixed Rate Bonds have a nominal principal amount of $450m (2023: $450m) and include a $150m sustainability bond issued in October 2021. The carrying value includes the impact of fair value hedges. Commercial paper is issued under a separate $200m Commercial paper programme. CCHL has entered into derivative contracts to hedge its exposure to interest rate fluctuations.

Orion New Zealand

Nature of debt	2024 $m	Average rate %	Maturity	2023 $m
Loans from external parties	135	6.52%	2025-2026	247
Floating rate notes	340	7.41%	2028-2035	140
Undrawn borrowing facility	40	-	2026	58

All bank loans are unsecured, however a deed of negative pledge requires Orion to comply with certain covenants to its key lenders. The US Private Placement floating rate notes are also unsecured. The Note Purchase agreement with the US investors has terms which are substantially similar to those in the negative pledge deed referred to above. Orion has complied with all terms of the agreement during the yeas ended 31 March 2024 and 30 June 2024.

In addition to the above, Orion has a loan from CCHL of $100m (2023: $100m).

Christchurch International Airport Ltd

Nature of debt	2024 $m	Average rate %	Maturity	2023 $m
Loans from external parties	282	5.80%	2025-2027	329
Bonds	274	5.44%	2027-2031	247
Undrawn borrowing facility	93		2024-2027	46

All borrowings under the bank facility and overdraft facility are unsecured and supported by a negative pledge deed. The bond funding has a face value of $275m and constitutes direct, unsecured, unsubordinated obligations and will rank equally with all other unsecured, unsubordinated indebtedness.

During the current and prior years, there were no defaults or breaches on any of the borrowing facilities.

CIAL was in compliance with all of its current financial covenants during the current and prior years.

Lyttelton Port Company Ltd

Nature of debt	2024 $m	Average rate %	Maturity	2023 $m
Loans from external parties	77	6.64%	2024	63
Undrawn borrowing facility	48	-	2025-26	62

All borrowings under the bank facility and overdraft facility are unsecured and supported by a negative pledge deed. In addition to the above, LPC has a loan from CCHL of $150m (2023: $150m).

City Care Limited

Nature of debt	2024 $m	Average rate %	Maturity	2023 $m
Undrawn borrowing facility	10	-	2024	10

Citycare has a loan from CCHL of $40m (2023: $56m)

Enable Services Ltd, EcoCentral Ltd, Development Christchurch Ltd and RBL Property Ltd.

These companies had no external debt as at 30 June 2024 (2023: Nil). Enable has a loan from CCHL of $294m (2023: $294m).

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20.4 Hedging activities and derivatives

	Parent		Group	
	30 Jun 24 $000	30 Jun 23 $000	30 Jun 24 $000	30 Jun 23 $000
Derivatives not designated as hedging instruments	-	-	-	103
Derivatives designated as hedging instruments				
Interest rate swaps*	27,423	40,661	85,723	119,241
Forward exchange rate contracts	-	-	-	94
Total derivative financial instrument assets*	**27,423**	**40,661**	**85,723**	**119,438**
Derivatives not designated as hedging instruments	-	-	-	(103)
Derivatives designated as hedging instruments				
Interest rate swaps*	-	-	(1,998)	(4,955)
Total derivative financial instrument liabilities*	**-**	**-**	**(1,998)**	**(5,058)**
Net derivative financial instrument assets (liabilities)	**27,423**	**40,661**	**83,725**	**114,380**
Total current derivative assets*	189	143	12,931	4,673
Total non-current derivative assets*	27,234	40,518	72,792	114,765
Total derivative financial instrument assets*	**27,423**	**40,661**	**85,723**	**119,438**
Total current derivative liabilities*	-	-	-	(3,026)
Total non-current derivative liabilities*	-	-	(1,998)	(2,032)
Total derivative financial instrument liabilities*	**-**	**-**	**(1,998)**	**(5,058)**

* The comparative balances have been restated to reflect a correction of the prior year. Refer to Prior Period Error – Reclassification of Derivative financial instrument note in 20.4

Commentary / Korerotanga

Most derivative instruments are “pay fixed” interest rate swaps, used to effectively convert floating rate debt to fixed rates.

Prior Period Error – Reclassification of Derivative financial instrument

During the financial year 2023/24, management identified an error related to the classification of hedging asset within derivative financial instrument liabilities. Specifically, interest rate swaps amounting to $27.4 million in 2024 ($40.7 million in 2023), previously disclosed as a negative hedging liability. In previous years (FY22 and prior) when derivatives were in a loss (liability) situation, the liability was added to the line "Borrowings & Other Financial Liabilities" in the balance sheet & note 20.3. However, in FY23 and FY24, with the increase in interest rates, the derivatives are now in a profit (asset) situation.

To correct this, both the current and prior year's financial statements have been adjusted to reclassify the affected amounts from "Borrowings & Other Financial Liabilities" to "Other Financial Assets" in the balance sheet and disclosed in the notes from derivative financial instrument liability in note 20.3 to derivative financial instrument asset in note 20.1 and 20.5. The restatement ensures the accurate reflection of Derivative Financial Instruments in the financial statements for improved year-on-year comparability. The adjustments to the relevant figures are detailed in the following table:

Statement of financial position		**30 June 2023**					
		Parent			**Group**		
	Note	**Reported**	**Adjusted**	**Restated**	**Reported**	**Adjusted**	**Restated**
		$000	**$000**	**$000**	**$000**	**$000**	**$000**
Current assets							
Other financial assets	20.1	32,690	143	32,833	51,379	143	51,522
Total current assets		**422,866**	**143**	**423,009**	**617,332**	**143**	**617,475**
Non-current assets							
Other financial assets	20.1	44,479	40,518	84,997	90,693	40,518	131,211
Total non-current assets		**19,641,710**	**40,518**	**19,682,228**	**21,466,400**	**40,518**	**21,506,918**
Total assets		**20,064,576**	**40,661**	**20,105,237**	**22,083,732**	**40,661**	**22,124,393**
Current liabilities							
Borrowings and other financial liabilities	20.3	381,528	143	381,671	859,883	143	860,026
Total current liabilities		**564,473**	**143**	**564,616**	**1,204,363**	**143**	**1,204,506**
Non-current liabilities							
Borrowings and other financial liabilities	20.3	1,843,613	40,518	1,884,131	3,026,235	40,518	3,066,753
Total non-current liabilities		**1,869,823**	**40,518**	**1,910,341**	**3,663,694**	**40,518**	**3,704,212**
Total liabilities		**2,434,296**	**40,661**	**2,474,957**	**4,868,057**	**40,661**	**4,908,718**

The continuing and discontinued hedges reserve balances are summarised below:

	30 Jun 24 $000	30 Jun 23 $000
Continuing hedges	36,897	56,903
Discontinued hedges	(9,477)	(16,251)
Total	**27,420**	**40,652**

The notional values of interest rate swaps are summarised below:

	Parent		Group	
	30 Jun 24 $000	30 Jun 23 $000	30 Jun 24 $000	30 Jun 23 $000
Interest rate swaps				
Less than 1 year	158,500	105,000	600,500	555,000
1 to 2 years	65,000	158,500	338,000	735,500
2 to 5 years	527,000	404,000	1,546,000	1,225,000
More than 5 years	790,500	838,500	1,400,500	1,309,500
	1,541,000	**1,506,000**	**3,885,000**	**3,825,000**

Derivative contracts are primarily entered into to hedge against any exposure to underlying risks associated with the hedged item. The risk management strategy of the Council and Group are discussed in note 20.6 of the financial statements.

Derivative contracts are recognised initially and subsequently at fair value. Changes in fair value are based on the prevailing market rates at valuation date and are recognised immediately in surplus or deficit. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedge relationship.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive revenue and expense, limited to the cumulative change in the fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in surplus or deficit. If the hedging relationship ceases to meet the criteria for hedge accounting any gain or loss recognised in other comprehensive revenue and expense and accumulated in equity at that time remains in equity and is recognised in surplus or deficit when the forecast transaction is ultimately recognised. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in surplus or deficit.

Changes in the fair value of derivatives that are designated as fair value hedges are recorded in surplus or deficit, together with changes in the fair value of the hedged asset or liability. The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in surplus or deficit. If the hedging relationship ceases to meet the criteria for hedge accounting the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to surplus or deficit from that date.

Council and Group derivative financial instruments include the following:

Interest rate swaps

Interest rate swaps are used to hedge the interest rate risk on outstanding borrowings. They may be designated as either Cash Flow Hedges (i.e. converting floating rate borrowing into fixed interest rates) or Fair Value Hedges (i.e. converting fixed rate borrowing into floating interest rates).

Hedge relationships are normally established with a hedge ratio of 1:1 meaning that the risk of each interest rate swap is identical to its related hedged item. Potential sources of hedge ineffectiveness include:

Different interest rate curves applied to discount the hedged item and hedging instrument. Differences in the timing of the cash flows of the hedged items and the hedging instruments.

The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items. Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

At 30 June 2024, the Council had interest rate swaps in place with a notional amount of $1.541 billion (2023: $1.506 billion) where the Council pays a weighted average fixed interest rate of 4.12%.

Forward exchange rate contracts

Forward exchange rate contracts are intended to hedge exposure to changes in foreign exchange rates. Exposure may arise from significant future import expenditure or from foreign-currency denominated assets and liabilities.

These contracts are carried at their fair value based on prevailing market foreign exchange rates at valuation date.

20.5 Classification and fair value of financial instruments

Accounting Policy / Kaupapahere Kaute

Categories of financial assets and liabilities

Financial instruments are classified into one of the following categories:

- Financial assets and liabilities carried at amortised cost,
- Financial assets and liabilities measured at fair value through surplus and deficit,
- Financial assets measured at fair value through other comprehensive revenue and expense.

The classification into each category depends on the nature and management's intention over the financial instruments.

There were no transfers between categories during the year (2023: Nil).

Fair value of financial instruments

Financial instruments carried at fair value in the financial statements are categorised within the fair value hierarchy described below:

- Level 1: the fair value is calculated using quoted prices in active markets.
- Level 2: the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The following methods and assumptions were used to estimate fair value for each class of financial instrument for which it is practicable to estimate such value:

- **Borrower notes and loans**
  Fixed rated instruments with quoted market prices are based on the quoted market price as of valuation date (Level 1) and for non-quoted securities, fair values were determined using discounted cash flow based on market observable rates (Level 2). Instruments with floating interest rates approximate fair value because of recent and regular repricing based on market conditions (Level 2).

  The fair values of non-interest bearing loans are determined using discounted cash flow based on Council's effective cost of borrowing for the year (calculated based on applicable market rate plus Council's credit spread) (Level 2). Foreign-currency denominated debt instruments are valued based on discounted future cash flows using the prevailing foreign exchange rate at valuation date (Level 2).

- **Derivative financial instruments**
  The fair values were computed as the present value of estimated future cash flows using market interest rates as at valuation date. The valuation techniques consider various inputs including the credit quality of counterparties (Level 2). The fair value forward exchange rate contracts are determined based on the discounted future cash flow using the market currency exchange and interest rates between the New Zealand dollar and relevant foreign currency at valuation date.

- **Share investments**
  Financial investments measured at fair value through other comprehensive revenue and expense consist of equity investments in subsidiaries, associates and other entities. Fair value of equity instruments with quoted market prices were determined using the quoted prices (Level 1). Where there is no active market, investments are revalued based on available market inputs observable and unobservable entity specific information affecting the assets being revalued less any accumulated impairment losses. These investments primarily include investments in subsidiary entities where Council and Group have involved external valuers to perform the valuation. These investments are classified as Level 3 financial instruments for purposes of fair value determination.

- **Borrowings**
  Fixed rate debt is recognised in the financial statements at amortised cost, except for any portions which have been designated as part of a fair value hedge, which are held at fair value through surplus or deficit. Fair values are determined using discounted cash flow based on market observable rates (Level 2).

The table below summarises the classification of financial assets and liabilities as to their respective categories including their relevant carrying and fair values.

						Parent
	Fair value level	Measurement basis		Carrying amount		Fair value
			30 Jun 24 $000	30 Jun 23 $000	30 Jun 24 $000	30 Jun 23 $000
Financial assets carried at amortised cost						
Cash and cash equivalents		Amortised cost	127,347	160,694	127,347	160,694
Trade and other receivables		Amortised cost	139,139	115,173	139,139	115,174
Loans advanced to CCOs		Amortised cost	743,409	720,109	743,409	720,109
Term deposits		Amortised cost	-	30,000	-	30,000
			1,009,895	**1,025,976**	**1,009,895**	**1,025,977**
Financial assets through surplus or deficit						
Borrower notes	2	Fair value	53,176	49,226	53,176	49,226
Community loan	2	Fair value	46,872	46,265	46,872	46,265
			100,048	**95,491**	**100,048**	**95,491**
Financial assets through other comprehensive revenue and expense						
Share investment in subsidiaries	3	Fair value	3,632,094	3,409,088	3,632,094	3,409,088
Share investment in other CCOs	3	Fair value	10,666	9,343	10,666	9,343
Share investment in non-CCOs	3	Fair value	228	904	229	903
Derivative assets designated as hedging instrument*	2	Fair value	27,423	40,661	27,423	40,661
			3,670,411	**3,459,996**	**3,670,412**	**3,459,995**
Financial liabilities carried at amortised cost						
Creditors and other payables		Amortised cost	133,628	134,661	133,628	134,662
Borrowings		Amortised cost	2,570,605	2,265,802	2,486,461	2,153,318
			2,704,233	**2,400,463**	**2,620,089**	**2,287,980**

* The comparative balances have been restated to reflect a correction of the prior year. Refer to Prior Period Error – Reclassification of Derivative financial instrument note in 20.4

	Fair value level	Measurement basis	Group Carrying amount 30 Jun 24 $000	Carrying amount 30 Jun 23 $000	Fair value 30 Jun 24 $000	Fair value 30 Jun 23 $000
Financial assets carried at amortised cost						
Cash and cash equivalents		Amortised cost	222,551	267,003	222,549	267,003
Trade and other receivables		Amortised cost	280,720	261,627	280,721	261,628
Loans advanced to non-CCOs		Amortised cost	13,096	22,547	13,096	22,547
Term deposits		Amortised cost	28,622	36,769	28,622	36,769
			544,989	**587,946**	**544,988**	**587,947**
Financial assets through surplus or deficit						
Borrower notes	2	Fair value	53,176	49,227	53,176	49,226
Community loan	2	Fair value	3,343	2,786	3,343	2,787
Derivative assets not designated as hedging instrument	2	Fair value	-	103	-	103
Derivative assets designated as hedging instrument	2	Fair value	58,300	78,674	-	78,674
			114,819	**130,790**	**56,519**	**130,790**
Financial assets through other comprehensive revenue and expense						
Share investment in subsidiaries	3	Fair value	-	-	-	-
Share investment in other CCOs	3	Fair value	10,666	9,343	10,666	9,343
Share investment in non-CCOs	3	Fair value	519	1,193	519	1,193
Derivative assets designated as hedging instrument*	2	Fair value	27,423	40,661	27,423	40,661
			38,608	**51,197**	**38,608**	**51,197**
Financial liabilities through other comprehensive revenue and expense						
Borrowings	2	Fair value	68,368	62,788	-	-
Derivative liabilities designated as hedging instrument*	2	Fair value	1,998	5,058	1,998	5,058
			70,366	**67,846**	**1,998**	**5,058**
Financial liabilities carried at amortised cost						
Creditors and other payables		Amortised cost	250,673	284,483	251,288	282,177
Borrowings		Amortised cost	4,146,183	3,796,601	4,058,848	3,680,225
			4,396,856	**4,081,084**	**4,310,136**	**3,962,402**

* The comparative balances have been restated to reflect a correction of the prior year. Refer to Prior Period Error – Reclassification of Derivative financial instrument note in 20.4

The table below summarises the reconciliation of movements in the Level 3 financial instruments:

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
Opening carrying value	3,419,335	2,890,095	10,536	9,844
Valuation movements	223,653	529,240	649	692
Closing carrying value	**3,642,988**	**3,419,335**	**11,185**	**10,536**

Commentary / Korerotanga

Due to the short-term nature of the transactions, the fair value of cash and cash equivalents, short-term investments, trade and other receivables, accounts payable, accrued expenses and other current liabilities and dividends payable approximate their carrying values as at the end of the reporting period.

20.6 Financial risk management

Risk Management Policy / Kaupapahere Whakahaere Risk

Financial risk management objectives

The Council and Group have a series of policies to manage the risk associated with financial instruments.

The Council and Group do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Group's policies, which provide written principles on the use of financial derivatives.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, and the basis of measurement applied in respect of each class of financial asset, financial liability and equity instrument are disclosed in the accounting policies to the financial statements.

Financial risks

The risks associated with the financial assets and liabilities of the Council and Group include market risk, liquidity risk and credit risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk.

Interest rate risk

Interest rate risk relates to the risk that the fair value of a fixed debt instrument or future cash flow of a floating debt instrument will fluctuate due to changes in the underlying market interest rate.

The Council and the Group are exposed to interest rate risk as they borrow funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts and forward interest rate contracts.

Currency risk

Currency risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Council has little exposure to foreign currency risk and under normal circumstances has no exposure to hedge. The Group is exposed to currency risk as a result of transactions that are denominated in a currency other than New Zealand dollars. These currencies are primarily Australian dollars, US dollars and Euros. The Group's policy is to hedge any material foreign currency exposure, usually with forward exchange contracts. The Group enters into forward foreign exchange contracts or currency swap contracts aimed at reducing and/or managing the adverse impact of changes in foreign exchange rates on the Group's results and cash flows. The Group has assessed that a reasonably possible change in foreign exchange rates (a 10 per cent variance either way) would not have a significant impact on surplus or equity.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Commodity price and demand risk

Within the Group some operations can be significantly impacted by fluctuations in commodity prices and international demand for certain products. Any residual risk is not considered material to the Group.

Interest rate risk management

The following tables summarise the Council's and Group's interest rate re-pricing analysis with respect to its financial assets and liabilities subject to interest rate risk:

Parent

30 June 24	Carrying amount $000	Less than 1 year $000	1 to 2 years $000	2 to 5 years $000	5+ years $000
Cash and cash equivalents	127,347	127,347	-	-	-
Loans advanced to CCOs	743,409	635,700	-	54,900	52,809
Community loans	46,872	285	310	1,011	45,267
Borrower notes	53,176	48,393	34	1,154	3,594
Borrowings	(2,489,338)	(937,758)	(33,008)	(517,071)	(1,001,500)
Borrowings from group entities	(758)	(758)	-	-	-
Finance lease liability (net settled)	(80,509)	(9,764)	(9,625)	(25,569)	(35,551)
	(1,599,801)	**(136,554)**	**(42,290)**	**(485,576)**	**(935,381)**

30 June 23	Carrying amount $000	Less than 1 year $000	1 to 2 years $000	2 to 5 years $000	5+ years $000
Cash and cash equivalents	160,694	160,694	-	-	-
Loans advanced to CCOs	720,109	567,600	45,500	24,200	82,809
Community loans	46,265	246	428	841	44,750
Borrower notes	49,226	43,727	1,039	1,766	2,694
Term deposits	30,000	30,000	-	-	-
Borrowings	(2,181,045)	(2,032,158)	(56,508)	(45,380)	(46,999)
Finance lease liability (net settled)	(84,757)	(9,764)	(9,054)	(25,204)	(40,735)
	(1,259,508)	**(1,239,655)**	**(18,595)**	**(43,777)**	**42,519**

Group

30 June 24	Carrying amount $000	Less than 1 year $000	1 to 2 years $000	2 to 5 years $000	5+ years $000
Cash and cash equivalents	222,551	222,551	-	-	-
Loans advanced to non-CCOs	13,096	13,096	-	-	-
Community loans	3,343	284	310	1,011	1,738
Borrower notes	53,176	48,394	34	1,154	3,594
Term deposits	28,622	28,622	-	-	-
Borrowings	(4,159,594)	(1,488,223)	(102,708)	(997,549)	(1,571,114)
Borrowings from group entities	-	-	-	-	-
Finance lease liability (net settled)	(54,957)	(55,065)	6,667	(16,269)	9,710
	(3,893,763)	**(1,230,341)**	**(95,697)**	**(1,011,653)**	**(1,556,072)**

30 June 23	Carrying amount $000	Less than 1 year $000	1 to 2 years $000	2 to 5 years $000	5+ years $000
Cash and cash equivalents	267,003	267,003	-	-	-
Loans advanced to non-CCOs	22,547	22,547	-	-	-
Community loans	2,786	244	428	841	1,273
Borrower notes	49,227	43,729	1,039	1,766	2,693
Term deposits	36,769	36,769	-	-	-
Borrowings	(3,807,565)	(2,489,979)	(546,913)	(583,673)	(187,000)

Finance lease liability (net settled)	(51,823)	(53,551)	5,720	(15,101)	11,109
	(3,481,056)	**(2,173,238)**	**(539,726)**	**(596,167)**	**(171,925)**

Commentary / Korerotanga

This re-pricing analysis includes the effects of interest rate swap contracts which the Parent and Group have entered into to hedge against the risk of market rate fluctuations. The notional amount and maturities of interest rate swap contracts are presented in Note 20.4 of the financial statements.

Interest Rate Benchmark Reform
Council's exposure to financial markets benchmarks is limited to the New Zealand 90 Day Bank Bill interest rate ("BKBM") on its borrowings, financial assets, and related interest rate derivative instruments – Council has no material exposure to currency benchmarks or the interest rate benchmarks of other countries. An alternative benchmark interest rate has not yet been defined for New Zealand.

Council has maintained informal discussions about benchmark reform with its lenders and derivatives providers for a number of years and will continue to do so as a suitable replacement benchmark for New Zealand interest rates is considered, developed, and established. Council considers that the impact of benchmark reform on its overall cost of borrowing will be minimal, because Council's policies and practices around borrowing and interest rate hedging means that most Council debt is effectively borrowed at a fixed rate – that is, Council's "pay floating" exposure to BKBM from its borrowings is largely off-set by its "receive floating" BKBM exposure from its financial assets and interest rate derivative instruments.

Council has not adjusted its risk management policies, practices, or reporting in anticipation of benchmark reform, and no such adjustment is considered necessary as at the date of this Report.

Interest rate sensitivity analysis
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of investments and borrowings affected (including the impact of hedging instruments). With all other variables held constant, the Group's surplus before tax and net asset position are affected through the impact on floating rate investments and borrowings, as follows:

	Parent		Group	
30 June 24	**Surplus or deficit (pre-tax) $000**	**Net asset / equity (pre-tax) $000**	**Surplus or deficit (pre-tax) $000**	**Net asset / equity (pre-tax) $000**
100 basis points increase	3,182	55,421	(1,408)	83,577
100 basis points decrease	(3,182)	(58,669)	1,408	(86,825)
30 June 23				
100 basis points increase	3,305	21,741	(10,784)	52,576
100 basis points decrease	(3,305)	(22,675)	10,784	(53,469)

Currency risk management

The Group's exposure to foreign currency transactions includes foreign currencies held on hand as stated in Note 16.

Commentary / Korerotanga

The CCHL Group has some exposure to foreign currency risk as a result of transactions that are denominated in a foreign currency - primarily Australian dollars, US dollars and Euros. The Group's policy is to hedge any material foreign currency exposure, usually with forward exchange contracts. The impact of a possible change in foreign exchange rates (a 10 percent variance either way) would not have a significant impact on comprehensive revenue and expense or equity.

Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

In meeting its liquidity requirements, the Group manages its investments and borrowings in accordance with its written investment policies. In general the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has funding arrangements in place to cover potential shortfalls.

The Council and Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments.

Parent **30 June 24**	**Carrying amount** **$000**	**Contractual cash flows** **$000**	**Less than 1 year** **$000**	**1 to 2 years** **$000**	**2 to 5 years** **$000**	**5+ years** **$000**
Cash and cash equivalents	127,347	127,347	127,347	-	-	-
Trade and other receivables	139,139	120,672	120,672	-	-	-
Loans advanced to CCOs	743,409	834,038	171,414	209,780	276,659	176,185
Borrower notes	53,176	73,254	6,895	12,790	24,598	28,971
Community loans	46,872	46,873	285	310	1,011	45,267
Creditors and other payables	(133,628)	(132,193)	(132,193)	-	-	-
Borrowings - external	(2,489,338)	(3,046,086)	(434,001)	(576,255)	(1,093,732)	(942,098)
Finance lease liability (net settled)	(80,509)	80,509	9,764	9,625	25,569	35,551
Derivative financial instrument	27,423	32,418	16,420	8,083	2,110	5,805
Net contractual inflows / (outflows)	**(1,566,867)**	**(1,863,926)**	**(114,155)**	**(335,667)**	**(763,785)**	**(650,319)**
30 June 23						
Cash and cash equivalents	160,694	160,694	160,694	-	-	-
Trade and other receivables	115,173	115,173	115,173	-	-	-
Loans advanced to CCOs	720,109	817,238	167,096	161,506	315,803	172,833
Borrower notes	49,226	58,776	8,620	6,891	23,625	19,640
Community loans	46,265	95,316	1,237	2,372	1,551	90,156
Term deposits	30,000	31,711	31,711	-	-	-
Creditors and other payables	(134,661)	(149,368)	(149,368)	-	-	-
Borrowings - external	(2,181,045)	(2,621,852)	(499,536)	(390,128)	(1,040,512)	(691,676)
Finance lease liability (net settled)	(84,757)	-	-	-	-	-
Derivative financial instrument	40,661	47,329	17,976	13,434	8,290	7,629
Net contractual inflows / (outflows)	**(1,238,335)**	**(1,444,983)**	**(146,397)**	**(205,925)**	**(691,243)**	**(401,418)**

Group 30 June 24	Carrying amount $000	Contractual cash flows $000	Less than 1 year $000	1 to 2 years $000	2 to 5 years $000	5+ years $000
Cash and cash equivalents	222,551	222,549	222,549	-	-	-
Trade and other receivables	280,720	(400,867)	226,953	(201,508)	(258,731)	(167,581)
Borrower notes	53,176	73,254	6,895	12,790	24,598	28,971
Community loans	3,343	3,344	285	310	1,011	1,738
Loans advanced to non-CCOs	13,096	15,804	1,379	413	14,012	-
Term deposits	28,622	26,896	26,896	-	-	-
Creditors and other payables	(250,673)	39,365	39,365	-	-	-
Borrowings -external	(4,159,594)	(5,145,367)	(1,066,008)	(740,765)	(1,859,087)	(1,479,507)
Finance lease liability (net settled)	(54,957)	89,899	9,269	20,266	28,945	31,419
Derivative financial instruments	83,725	73,704	31,756	19,248	14,526	8,174
Net contractual inflows / (outflows)	**(3,779,991)**	**(5,001,419)**	**(500,661)**	**(889,246)**	**(2,034,726)**	**(1,576,786)**
30 June 23						
Cash and cash equivalents	267,003	267,088	267,088	-	-	-
Trade and other receivables	261,627	(329,186)	228,253	(149,726)	(283,516)	(124,197)
Borrower notes	49,227	58,776	8,620	6,891	23,625	19,640
Community loans	2,786	51,837	1,237	2,372	1,551	46,677
Loans advanced to non-CCOs	22,547	26,555	11,685	469	14,401	-
Term deposits	36,769	38,480	38,480	-	-	-
Creditors and other payables	(284,483)	(299,192)	(299,192)	-	-	-
Borrowings -external	(3,807,565)	(4,501,992)	(987,867)	(1,010,159)	(1,650,119)	(853,847)
Borrowings - related parties	(1)	-	-	-	-	-
Finance lease liability (net settled)	(51,823)	22,133	3,064	9,286	5,249	4,534
Derivative financial instruments	114,380	128,273	43,179	41,578	32,516	11,000
Net contractual inflows / (outflows)	**(3,389,533)**	**(4,537,228)**	**(685,453)**	**(1,099,289)**	**(1,856,293)**	**(896,193)**

Commentary / Korerotanga

The Parent is exposed to liquidity risk as a guarantor of all of LGFA borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. The exposure relating to the guarantee is noted as a contingency but is not classified as a contingent liability by the Parent and Group and is explained further in Note 27.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity.

Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash and short-term investments, trade receivables, loans and interest rate swaps. The Council and Group places its cash and short-term investments with high credit quality financial institutions and sovereign bodies and limits the amount of credit exposure to any one financial institution in accordance with the treasury policies of the respective members of the Group.

The Council's investment policy includes parameters for investing in financial institutions and other organisations which, where applicable, have the required Standard and Poor's credit ratings. These credit ratings are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments.

Commentary / Korerotanga

The Parent applies a lifetime expected credit loss of 80 per cent to community loans that are assessed as having a high credit risk based on the likelihood of repayment. Recipients that are paying their loans are considered to have a low credit risk have no expected credit loss applied.

The Parent has written off lifetime expected credit losses at fair value through surplus and deficit.

The carrying value is the maximum exposure to credit risk for bank balances and accounts receivable. No collateral is held in respect of these financial assets.

The Parent's receivables mainly arise from statutory functions. Procedures are in place to monitor the credit quality of debtors and other receivables with reference to internal or external credit ratings and where appropriate security must be provided to secure credit terms.

The Parent has no significant concentrations of credit risk in relation to these receivables, as it has a large number of credit customers, mainly ratepayers, and the Parent has powers under the Local Government (Rating) Act 2002 to recover outstanding debts.

The Parent's trade debtors and other receivables amounted to $120.7 million (2023: $115.2 million).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various segments with similar loss patterns. There is some concentration of credit risk within the group in relation to trade receivables, however all of these major customers are considered to be of high credit quality, and as such on a Group-wide basis, it is not considered that there is a significant risk of losses arising. Geographically there is no significant credit risk concentration for the Group outside New Zealand.

The Group has not renegotiated the terms of any financial assets which would result in the carrying amount no longer being past due to avoid a possible past due status other than some trade receivables.

The Group's trade debtors and other receivables amounted to $269 million (2023: $261 million).

The following table summarises the Council and Group's counterparty credit risks:

		Parent		Group	
		30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
		$000	**$000**	**$000**	**$000**
Cash and cash equivalents					
	AA	20,347	60,694	114,661	162,633
	A	107,000	100,000	107,890	104,370
Term deposits					
	AA	-	-	28,622	6,564
	A	-	30,000	-	30,205
Loans advanced to CCOs					
	AA	681,200	657,200	-	-
	< BBB / unrated	62,209	62,909	-	-
Loans advanced to non-CCOs					
	< BBB / unrated	-	-	13,096	22,547
Community loans					
	< BBB / unrated	46,872	46,265	3,343	2,786
Borrower Notes					
	AAA	53,176	49,226	53,176	49,227
Derivative financial instrument assets*					
	AA	27,212	40,337	82,231	92,368
	A	211	324	3,492	27,070
		998,227	**1,046,955**	**406,511**	**497,770**

* The comparative balances have been restated to reflect a correction of the prior year. Refer to Prior Period Error – Reclassification of Derivative financial instrument note in 20.4

The Parent's credit risk from balances with banks and financial institutions is managed by the Council's treasury department in accordance with the Council's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the treasury department on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments.

Commentary / Korerotanga

Term deposits only include deposits whose original term is 3 months or longer. The Group only invests in instruments with very low credit risk.

The Group has recognised no provision for expected credit losses on any debt securities (including LGFA Borrower Notes) at fair value through other comprehensive revenue and expense.

21 Finance lease receivables

Accounting Policy / Kaupapahere Kaute

As lessor

Leases in which substantially all of the risks and rewards of ownership transfer to the lessor are classified as finance leases. Amounts due from lessees under finance leases are recorded as receivables. Finance lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
No later than one year	-	-	67	69
Later than one year and not later than five years	-	-	381	293
Later than five years	-	-	(229)	(210)
Minimum lease receivables	**-**	**-**	**219**	**152**
Less future finance charges	-	-	(235)	(276)
Present value of minimum lease receivables	**-**	**-**	**(16)**	**(124)**
Present value of future minimum lease receivables				
No later than one year	-	-	(118)	(116)
Later than one year and not later than five years	-	-	62	(4)
Later than five years	-	-	40	(4)
Present value of future minimum lease receivables	**-**	**-**	**(16)**	**(124)**
Represented by				
Current portion	-	-	(118)	(116)
Non-current portion	-	-	102	(8)
Total	**-**	**-**	**(16)**	**(124)**

22 Finance lease liabilities

Accounting Policy / Kaupapahere Kaute

As lessee

Leases in which substantially all of the risks and rewards of ownership transfer to the lessee are classified as finance leases. At inception, finance leases are recognised as assets and liabilities on the statement of financial position at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. Subsequently, assets leased under a finance lease are depreciated as if the assets are owned.

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
No later than one year	11,079	11,080	8,123	6,893
Later than one year and not later than five years	47,778	46,476	29,945	26,774
Later than five years	66,679	79,066	42,257	45,389
Minimum lease payments	**125,536**	**136,622**	**80,325**	**79,056**
Less: future finance charges	(45,027)	(51,865)	(25,368)	(27,233)
Present value of minimum lease payments	**80,509**	**84,757**	**54,957**	**51,823**
Minimum future lease payments				
No later than one year	9,763	9,764	13,533	10,543
Later than one year and not later than five years	35,195	34,258	20,301	18,652
Later than five years	35,551	40,735	21,123	22,627
Total present value of minimum lease payments	**80,509**	**84,757**	**54,957**	**51,822**
Represented by:				
Current portion	9,764	9,764	10,137	8,022
Non-current portion	70,745	74,993	44,820	43,801
Total finance leases	**80,509**	**84,757**	**54,957**	**51,823**

Commentary / Korerotanga

The Parent leases the Civic Building in Worcester Boulevard from the NTPL and CBL Joint Venture (CCBJV) in August 2010. CBL is a wholly owned Council subsidiary which owns a 50 per cent interest in the unincorporated joint venture with NTPL. The lease has an initial term of 24 years with three rights of renewal of 24 years and the note above includes only the first lease term. The annual lease payment is $10.8 million plus GST.

The group finance lease liability above also includes agreements between Orion and Transpower New Zealand Ltd (Transpower) for Transpower to install new assets at or near its local grid exit points, and for the lease of properties in the Wellington and Central Otago areas. The agreements have remaining terms of between 1 and 24 years (2023: between 2 and 25 years). Orion does not own the assets at the end of the lease term and there is no residual value. There is no security provided for the arrangements. The monthly payment amounts are reviewed periodically by Transpower based on prevailing interest rates and agreed margins.

23 Construction contracts

Accounting Policy / Kaupapahere Kaute

Contact assets are initially recognised at fair value. They are subsequently adjusted for credit impairment loss. The Group will recognise a contract asset for work performed where they do not have an unconditional right to consideration. Any amount previously recognised as Contract asset is reclassified to trade receivables at the point which the Group has an unconditional right to consideration. If the payment received exceed the revenue recognised to date then the Group recognises a contract liability for difference.

The financing component in construction contracts with customers is not considered to be significant as the period between the recognition of revenue and receipt of payment is always less than one year.

There has been no change in the estimation techniques or significant assumptions made during the current report period in assessing the loss allowance for the amount due from customers under construction contracts.

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
Contract costs incurred	-	-	46,351	41,286
Progress billings	-	-	56,314	48,467
Gross amounts due from customers	-	-	5,827	6,816
Gross amounts due to customers	-	-	104	19

24 Employee benefits

Accounting Policy / Kaupapahere Kaute

A single cash payment in compensation for work, where the employee is responsible for and able to individually decide how best to use their remuneration to meet their needs over time in the mix and type of benefits purchased. Provision is made in respect of Council's liability for the following short and long-term employee entitlements.

Salaries and Wages
Salaries and wages are recognised as an expense as employees provide services. Any employee expenses

Short-term entitlements
These are liabilities for annual leave and time off in lieu are accrued at the full amount owing at the pay period ending immediately before the reporting date. Employee benefits that are expected to be settled wholly within twelve months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

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

Liabilities for accumulating short-term compensated absences (e.g. sick leave) are measured as the amount of unused entitlement accumulated at the pay period ending immediately before the reporting date that the entity anticipates employees will use in future periods, in excess of the days that they will be entitled to in each of those periods.

Long-term entitlements
These included retiring gratuities and long-service leave liabilities are assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on (i) likely future entitlements accruing to employees, based on years of service, years to entitlement, (ii) the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and (iii) the present value of the estimated future cash flows.

Kiwisaver & superannuation
Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in surplus or deficit when incurred. Superannuation is provided as a percentage of remuneration.

24.1 Personnel cost

	Parent		Group	
	30 Jun 24 $000	30 Jun 23 $000	30 Jun 24 $000	30 Jun 23 $000
Salaries and wages	222,924	207,147	602,508	551,247
Salaries and wages capitalised	(19,784)	-	(19,784)	-
Defined contribution plan employer contributions	5,874	5,262	7,976	6,393
Defined benefit plan employer contributions	-	-	1,047	209
Increase/(decrease) in employee entitlements/liabilities	1,771	(680)	2,084	2,279
Other personnel costs	-	-	444	564
Total personnel costs	**210,784**	**211,729**	**594,275**	**560,692**

Commentary / Korerotanga

The full financial impact of the Holiday Pay Remediation Project is expected to be $4.9 million. This cost was recognised in the 2021 financial statements. To date the Council has paid $2.8 million to former and current employees.

24.2 Employee entitlements

	Parent		Group	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$000	**$000**	**$000**	**$000**
Current portion				
Accrued pay	4,391	3,858	14,135	18,866
Annual leave	18,924	18,032	44,391	38,944
Sick leave	256	256	476	521
Retirement and long service leave	1,888	1,262	6,373	2,452
Bonuses and other	-	-	2,634	661
	25,459	23,408	68,009	61,444
Non-current portion				
Retirement and long service leave	2,406	2,686	6,307	6,417
	2,406	2,686	6,307	6,417
Total employee entitlements	**27,865**	**26,094**	**74,316**	**67,861**

Commentary / Korerotanga

The provision for long service leave is an assessment of entitlements that may become due to employees in the future. The provision is affected by a number of estimates, including the expected length of service of employees and the timing of benefits being taken. Most of the liability is expected to be incurred over the next five to ten years.

25 Provisions

Accounting Policy / Kaupapahere Kaute

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

	Parent		Group	
	30 Jun 24 $000	30 Jun 23 $000	30 Jun 24 $000	30 Jun 23 $000
(a) Current provisions				
Landfill aftercare provision	2,650	666	2,650	666
Building related claims provision	1,624	1,623	1,625	1,624
Holiday pay	1,521	1,589	1,521	1,589
Other	-	-	2,182	2,621
	5,795	3,878	7,978	6,500
(b) Non-current provisions				
Landfill aftercare provision	13,589	13,928	13,589	13,928
Building related claims provision	4,420	6,074	4,420	6,074
Other	-	-	2,953	2,491
	18,009	20,002	20,962	22,493
Total provisions	**23,804**	**23,880**	**28,940**	**28,993**

25.1 Landfill aftercare

As operator of several closed landfill sites, including Burwood, the Council has a legal obligation to provide ongoing maintenance and monitoring services at these sites after closure. These include:

Closure responsibilities: final cover application and vegetation; incremental drainage control features; completing facilities for leachate collection and monitoring; completing facilities for water quality monitoring; and completing facilities for monitoring and recovery of gas.

Post-closure responsibilities: treatment and monitoring of leachate; ground monitoring and surface monitoring; implementation of remedial measures needed for cover and control systems; and ongoing site maintenance for drainage systems, final cover and vegetation.

Closed landfills

The liability has been estimated, based on a monitoring period of 35 years. The estimated cost for all closed landfills, including the Burwood landfill is $16.2 million (2023: $14.6 million). The discount rate used to calculate this provision is 5.18 per cent for Burwood landfill and other closed landfills (2023: 5.13 per cent).

The Council participates in the regional waste disposal joint venture run by Transwaste through its Kate Valley landfill site. This site has been granted resource consent for 35 years from the opening date of June 2005. The Council's ownership share of Transwaste is 38.9 per cent.

The provision is calculated based on the estimated amount required by the Council to meet its obligations for all equipment, facilities and services (these estimated amounts are based on costs of closure of similar landfills by other local authorities with an allowance for inflation), the estimated costs have been discounted to their present value using a discount rate based on the risk free spot rates, the estimated length of time needed for post-closure care is 35 years, the Council's legal obligation to provide ongoing maintenance and monitoring services for the closed landfill sites of the former amalgamating authorities.

The estimated future costs of meeting this obligation have been accrued and charged. The calculations assume no change in the legislative requirements for closure and post-closure treatment.

25.2 Building related claims

A provision has been recognised for the estimated cost of known weather tight and other building related claims currently outstanding. This includes those claims that are being actively managed by the Council as well as claims lodged with Council, WHRS and the High Court, but not yet being actively managed.

The provision is calculated based on the number of known claims, the average actual settlement costs and the average actual claims settled per year.

25.3 Other provisions

Other provisions include plant maintenance and other small provisions.

25.4 Movement in provisions

					Parent
	Landfill aftercare $000	Building related claims $000	Holiday Pay $000	Other $000	Total $000
Balance at 1 July 2022	15,339	8,116	2,717	-	26,172
Additional provisions made	1,675	742	-	-	2,417
Amounts used	(1,647)	(1,161)	(459)	-	(3,267)
Unused amounts reversed	(773)	-	(669)	-	(1,442)
Balance at 30 June 2023	**14,594**	**7,697**	**1,589**	**-**	**23,880**
Additional provisions made	3,633	225	76	-	3,934
Amounts used	(1,988)	(1,878)	(144)	-	(4,010)
Balance at 30 June 2024	**16,239**	**6,044**	**1,521**	**-**	**23,804**

					Group
	Landfill aftercare $000	Building related claims $000	Holiday Pay $000	Other $000	Total $000
Balance at 1 July 2022	15,339	8,116	2,717	3,231	29,403
Additional provisions made	1,675	743	-	4,476	6,894
Amounts used	(1,647)	(1,161)	(459)	(2,501)	(5,768)
Unused amounts reversed	(773)	-	(669)	(102)	(1,544)
Discount unwinding	-	-	-	8	8
Balance at 30 June 2023	**14,594**	**7,698**	**1,589**	**5,112**	**28,993**
Additional provisions made	3,633	225	76	1,173	5,107
Amounts used	(1,988)	(1,878)	(144)	(389)	(4,399)
Unused amounts reversed	-	-	-	(771)	(771)
Discount unwinding	-	-	-	10	10
Balance at 30 June 2024	**16,239**	**6,045**	**1,521**	**5,135**	**28,940**

26 Other liabilities

	Note	Parent		Group	
		30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
		$000	$000	$000	$000
Other current liabilities					
Hire purchase agreement		-	-	-	1,287
Income in advance		25,118	20,570	35,058	39,046
Service concession agreement	12	-	429	-	-
Deferred Income		-	-	1,578	-
Other		-	-	16,897	14,052
		25,118	**20,999**	**53,533**	**54,385**
Other Non-current liabilities					
Hire purchase agreement		-	-	-	1,722
Deferred Income		-	-	1,100	-
Income in advance		-	-	1,906	670
Other		-	-	231	490
		-	**-**	**3,237**	**2,882**
Total other liabilities		**25,118**	**20,999**	**56,770**	**57,267**
Income in advance					
Income in advance from non-exchange transactions:					
Grants and other revenue subject to condition		1,220	25	1,223	25
Advanced receipts		18,396	14,733	18,396	14,733
		19,616	14,758	19,619	14,758
Income in advance from exchange transactions		5,502	5,812	17,345	24,958
Total income in advance		**25,118**	**20,570**	**36,964**	**39,716**

Commentary / Korerotanga

Income in advance

The Parent's revenue in advance includes prepaid rates and other receivables of $14.1 million (2023: $11.6 million) and prepaid building inspections of $5.5 million (2023: $5.8 million). 2024 also includes prepaid better off funding of $1.7 million.

Service concession liability

The Parent's service concession arrangement relates to the Material Recovery Facility. Refer to Note 12 for the details of the arrangement including the amount of service concession assets and liabilities recognised by the Parent.

27 Contingent liabilities and assets

Accounting Policy / Kaupapahere Kaute

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity and include obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable. A contingent liability is not recognised in the Statement of financial position, but are disclosed when the possibility of an outflow is not considered to be remote.

Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity. Contingent assets are not recognised in the statement of financial position, but they are disclosed when it is more likely than not that an inflow of benefits will occur.

	Parent		Group	
	30 Jun 24 $000	**30 Jun 23 $000**	**30 Jun 24 $000**	**30 Jun 23 $000**
Quantifiable Contingent liabilities				
Performance bonds	-	-	17,513	16,734
Uncalled capital in LGFA	1,660	1,660	1,660	1,660
Uncalled capital in CCHL	1,500,139	1,500,139	-	-
Uncalled capital in Civic Building Ltd	10,000	10,000	-	-
Uncalled capital in Transwaste Canterbury Ltd	1,556	1,556	951	951
Christchurch Symphony Orchestra guarantee	200	200	200	200
Legal disputes	6,000	-	6,000	-
Total quantifiable contingent liabilities	**1,519,555**	**1,513,555**	**26,324**	**19,545**

27.1 Contingencies

New Zealand Local Government Funding Agency

The Council is a shareholder of LGFA. LGFA was incorporated in December 2011 for the purpose of providing debt funding to local authorities in New Zealand and it has a credit rating from Standard and Poor's of AA+.

The Council is one of 30 local government shareholders of LGFA (2023: 30), the other shareholder is the Crown. It has uncalled capital of $1.66 million. When aggregated with the uncalled capital of other shareholders, $20.0 million is available in the event that an imminent default is identified. Also together with the other shareholders, the Council is a guarantor of all of LGFA's borrowings. At 30 June 2024, LGFA had borrowings totalling $20.6 billion (2023: $16.4 billion).

PBE Accounting Standards require the Council to initially recognise the guarantee liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. The Council has assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability.

The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- it is not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to raise sufficient funds to meet any debt obligations if further funds were required.

Associate contingencies

The Council's share of the contingencies of associates is $6.2 million (2023: $6.2 million). The contingencies relate to bonds with Transwaste's bankers in terms of resource consents granted to Transwaste. It is anticipated that no material liabilities will arise.

Christchurch Symphony Orchestra Guarantee
The Council has guaranteed a $200,000 bank overdraft for the Christchurch Symphony Orchestra.

Current legal proceedings
There are current legal proceedings against the Council for thirteen specific issues and the potential for claims in seven others. The amounts claimed in some proceedings and issues raised in respect of Council decisions in other proceedings are disputed.

Included in Council's current legal proceedings are proceedings on a number of building related matters. These matters span a variety of buildings and situations including earthquake related circumstances.

While every effort is made to calibrate Council response to the situation, the Council may have further liability which it has not yet been made aware of. For further detail on the Council's provisioning for building related claims see Note 25.

Suspensory loan
In 2006 the Council entered into an agreement with the Housing New Zealand Corporation (HNZ) to borrow $2.4 million from HNZ's Local Government Housing Fund. The loan is for a term of 20 years at 0 per cent interest from the date of drawdown (2008) and will cease to be repayable at the end of the term. The loan has a number of conditions which if not met require it to be repaid.

The Council considers that it will continue to meet the conditions of the loan and as such has not recognised a liability. Should Council fail to continue to meet the conditions of the loan it will need to repay the $2.4 million plus interest for the remaining term.

Riskpool – winding up
Christchurch City Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call, in respect of historical claims, diminishes with each year as limitation periods expire.

However, as a result of the Supreme Court decision on 1 August 2023 in Napier Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weathertight defects (in a mixed claim involving both weathertight and non-weathertight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

27.2 Contingent liabilities

Commentary / Korerotanga

The Parent has assessed its exposure to general building consent issues and has determined that the amount of any exposure is unquantifiable to be recognised as a provision.

The Council is currently reviewing a matter relating to designs submitted for building consents by an engineer whose professional certification had subsequently lapsed as of 2023. The investigation is in its early stages and any potential financial or operational impacts are yet to be determined. Further information will be disclosed as it becomes available.

The following contingent liabilities exist in respect of contract performance bonds:

- City Care $16 million (2023: 15 million)
- Orion $1 million (2023: $1 million)

Citycare has an arrangement with Bank of New Zealand for the issue of performance related bonds.

The Group had no other material or significant contingent liabilities as at 30 June 2024. All Group companies insure for liability risks, in line with good industry practice. No provisions have been made where the group does not expect to have the contingent liabilities realised.

27.3 Contingent assets

Commentary / Korerotanga

The Parent's lending to OCHT is secured by first-ranking mortgages over properties whose value exceeds the full principal amount lent. If OCHT is wound up for any reason, this security would enable the Parent to recover this full principal amount, which is greater than the fair value of the loans currently recorded in the financial statements.

Orion New Zealand Ltd

Revenue above and below maximum allowable revenue

Orion is permitted to receive a maximum allowable revenue (MAR) for its electricity distribution services under the Commerce Commission's default price path regime. Due to differences between quantity estimates and CPI estimates used in price setting and actual quantities and actual CPI, Orion estimates that it charged customers $12.26m below its MAR (2023: estimated $13.35m below MAR). This amount is still subject to wash-ups as improved information becomes available. Orion will adjust the final amount plus interest when it sets delivery prices for 2026 (2023: recovered within 2025 delivery prices).

The Group had no other material or significant contingent assets as at 30 June 2024.

28 Cash flow reconciliations

28.1 Reconciliation of surplus for the period to net cash flows from operating activities

	Parent		Group	
	30 Jun 24 $000	30 Jun 23 $000	30 Jun 24 $000	30 Jun 23 $000
Surplus for the period	49,376	414,830	16,808	459,421
Add/(less) non-cash items				
Depreciation and amortisation	345,176	318,014	549,261	500,333
Vested assets	(45,863)	(163,380)	(45,863)	(163,380)
Impairment (gains)/losses	-	-	5,324	1,112
(Gains)/losses in fair value of investment property and assets held for sale	-	-	(15,450)	5,013
(Gains)/losses in fair value of derivative financial instruments	22	65	192	534
Share of associates' (surplus)/deficit (less dividends)	-	-	(970)	1,038
Net foreign exchange (gains)/losses	-	-	(16)	13
Deferred tax charged/(credited) to surplus	(550)	1,606	101,048	11,337
(Gains)/losses in fair value of Investments	3,652	4,017	2,112	6,740
Internal labour allocated to PPE & Intangibles	-	-	(9,375)	(8,633)
Other non cash movements	(280)	(367)	1,050	(9,717)
Net changes in non-cash items	**302,157**	**159,955**	**587,313**	**344,390**
Add/(less) items classified as investing or financing activities				
(Gain)/loss on disposal of non-current assets	34,341	4,150	33,747	(2,849)
Movement in capital creditors	14,437	(26,727)	19,316	(41,498)
Recognition of service concession arrangement	(429)	(736)	(429)	(736)
Insurance proceeds classified as investing activities	-	(47,667)	-	(47,667)
Other	-	-	(3,245)	(3,427)
Net changes in investing/financing activities	**48,349**	**(70,980)**	**49,389**	**(96,177)**
Add/(less) movement in working capital items				
Receivable and prepayment	(33,326)	(44,739)	(1,267)	(86,974)
Inventories	520	(613)	(3,004)	(1,270)
Other assets	-	-	(27,543)	(2,829)
Payables	(1,032)	34,138	(30,814)	88,038
Provisions and employee entitlements	1,974	(2,604)	(37,380)	2,212
Income tax receivable/(payable)	-	-	(1,266)	8,882
Other liabilities	4,548	(2,834)	43,992	(1,074)
Net changes in net assets and liabilities	**(27,316)**	**(16,652)**	**(57,282)**	**6,985**
Net cash from operating activities	**372,566**	**487,153**	**596,228**	**714,619**

28.2 Reconciliation of movement in financial liabilities to net cash flows from financing activities

Parent

30 Jun 24

Parent	Liabilities				Equity		Total
	Borrowings from external parties	Borrowings from group entities	Finance lease liabilities	Derivative financial instrument liabilities*	Share purchases	Dividends	Total
30 Jun 24	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Opening balance	2,181,045	-	84,757	(40,661)	-	-	2,225,141
Add/(less) cash items liabilities arising from financing activities							
Cash inflows	679,442	758	-	-	-	-	680,200
Cash outflows	(371,149)	-	(4,244)	-	-	-	(375,393)
Net cash from liabilities arising from financing activities	**308,293**	**758**	**(4,244)**	**-**	**-**	**-**	**304,807**
Add/(less) non-cash items							
Cash flow hedges gain/(loss)	-	-	-	13,215	-	-	13,215
Cash flow hedges ineffectiveness	-	-	-	(6,751)	-	-	(6,751)
Derecognition of cash flow hedges	-	-	-	6,773	-	-	6,773
Reclassified to financial instrument asset	-	-	-	27,424	-	-	27,424
Other			(4)				(4)
Net changes in non-cash items	**-**	**-**	**(4)**	**40,661**	**-**	**-**	**40,657**
Less equity items							
Net changes in equity items	-	-	-	-	-	-	-
Total borrowings and other financial liabilities	**2,489,338**	**758**	**80,509**	**0**	**-**	**-**	**2,570,605**

Parent	Liabilities				Equity		Total
	Borrowings from external parties	Borrowings from group entities	Finance lease liabilities	Derivative financial instrument liabilities	Share purchases	Dividends	Total
30 Jun 23	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Opening balance	2,029,531	-	88,678	(3,573)	-	-	2,114,636
Add/(less) cash items liabilities arising from financing activities							
Cash inflows	523,800	-	-	-	-	-	523,800
Cash outflows	(372,283)	-	(3,921)	-	-	-	(376,204)
Net cash from liabilities arising from financing activities	**151,517**	**-**	**(3,921)**	**-**	**-**	**-**	**147,596**
Add/(less) non-cash items							
Cash flow hedges gain/(loss)	-	-	-	(37,153)	-	-	(37,153)
Cash flow hedges ineffectiveness	-	-	-	(6,720)	-	-	(6,720)
Derecognition of cash flow hedges	-	-	-	6,785	-	-	6,785
Other	(3)	-	-	-	-	-	(3)
Net changes in non-cash items	**(3)**	**-**	**-**	**(37,088)**	**-**	**-**	**(37,091)**
Less equity items							
Net changes in equity items	-	-	-	-	-	-	-
Total borrowings and other financial liabilities	**2,181,045**	**-**	**84,757**	**(40,661)**	**-**	**-**	**2,225,141**

Reconciliation of movement in financial liabilities to net cash flows from financing activities *Continued*

	Liabilities				Equity			Total
Group	**Borrowings from external parties**	**Borrowings from group entities**	**Finance lease liabilities**	**Derivative financial instrument liabilities***	**Share purchases**	**Dividends**	**Other Cashflow**	**Total**
30 Jun 24	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Opening balance	3,807,567	-	51,819	(35,603)	-	-	-	3,823,782
Add/(less) cash items liabilities arising from financing activities								
Cash inflows	1,186,874	-	15,795	-	-	-	-	1,202,669
Cash outflows	(840,149)	-	(26,503)	-	-	(10,813)	-	(877,465)
Net cash from liabilities arising from financing activities	**346,725**	**-**	**(10,708)**	**-**	**-**	**(10,813)**	**-**	**325,204**
Add/(less) non-cash items								
Cash flow hedges gain/(loss)	-	-	-	4,136	-	-	-	4,136
Cash flow hedges ineffectiveness	-	-	-	(6,743)	-	-	-	(6,743)
Fair value hedges ineffectiveness	5,821	-	-	(3,165)	-	-	-	2,656
Derecognition of cash flow hedges	-	-	-	6,773	-	-	-	6,773
IFRS 16 to PBE conversion	-	-	(79)	-	-	-	-	(79)
New leases	-	-	3,508	-	-	-	-	3,508
Reclassified to financial instrument asset				27,423				27,423
Other	(519)	-	10,417	9,177		-	-	19,075
Net changes in non-cash items	**5,302**	**-**	**13,846**	**37,601**	**-**	**-**	**-**	**56,749**
Less equity and other items								
Dividends paid - non controlling interests	-	-	-	-	-	10,813	-	10,813
Net changes in equity and other items	-	-	-	-	-	10,813	-	10,813
Total borrowings and other financial liabilities	**4,159,594**	**-**	**54,957**	**1,998**	**-**	**-**	**-**	**4,216,548**

Reconciliation of movement in financial liabilities to net cash flows from financing activities *Continued*

	Liabilities				Equity			Total
Group	**Borrowings from external parties**	**Borrowings from group entities**	**Finance lease liabilities**	**Derivative financial instrument liabilities**	**Share purchases**	**Dividends**	**Other Cashflow**	**Total**
30 Jun 23	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Opening balance	3,672,727	-	56,643	3,609	-	-	-	3,732,979
Add/(less) cash items liabilities arising from financing activities								
Cash inflows	812,114	-	-	-	-	-	-	812,114
Cash outflows	(675,083)	-	(8,940)	-	-	(7,756)	-	(691,778)
Net cash from liabilities arising from financing activities	**137,031**	**-**	**(8,940)**	**-**	**-**	**(7,756)**	**-**	**120,336**
Add/(less) non-cash items								
Cash flow hedges gain/(loss)	-	-	-	(38,831)	-	-	-	(38,831)
Cash flow hedges ineffectiveness	-	-	-	(7,151)	-	-	-	(7,151)
Fair value hedges ineffectiveness	(4,446)	-	-	-	-	-	-	(4,446)
Derecognition of cash flow hedges	-	-	-	6,785	-	-	-	6,785
IFRS 16 adoption reversal	2,256	-	(8,652)	-	-	-	-	(6,396)
New leases	-	-	3,201	-	-	-	-	3,201
Other	(1)	-	9,567	(15)	-	-	-	9,551
Net changes in non-cash items	**(2,191)**	**-**	**4,116**	**(39,213)**	**-**	**-**	**-**	**(37,288)**
Less equity and other items								
Dividends paid - non controlling interests	-	-	-	-	-	7,756	-	7,756
Net changes in equity and other items	-	-	-	-	-	7,756	-	7,756
Total borrowings and other financial liabilities	**3,807,567**	**-**	**51,819**	**(35,603)**	**-**	**-**	**-**	**3,823,782**

29 Related parties

Accounting Policy / Kaupapahere Kaute

Council is the ultimate parent of the Group. Details of subsidiaries and associates over which Council has significant influence, are set out on in the Group structure and Council Controlled Organisations section of the Annual Report.

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

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

The Council provides grants and operational funding to a number of group entities and entities or organisations where the Mayor, Councillors or Executive Leadership Team are members of the organisations or their governing bodies. Such funding is agreed by Council on the same basis as other organisations with no such direct links.

Related Party Transactions required to be disclosed include provision of services, grants, non-standard commercial contracts and intercompany taxation activity.

Provision of accounting / administration services

The Council provided accounting, administrative and IT services to the group entities outlined below. The Council does not provide such services to non-group entities.

Group entity	2024		2023	
	Services to CCOs	30 June Balance	Services to CCOs	30 June Balance
	$000	$000	$000	$000
CCHL	141	123	144	24
CBL	23	-	-	-
RBT	36	-	33	-

Grants

The Council has provided a number of grants/subsidies to the group entities, and some of these are considered non- arm's length transactions. These grants are outlined in the table below:

Group entity	2024 $000	2023 $000	Reason for non-arm's length
RBT	569	489	In accordance with the Riccarton Bush Act
CNZ - Seed Fund	1,539	1,539	Non-contestable funding
Venues Otautahi	5,753	7,781	Non-contestable funding

No balances were outstanding at year end (2023: nil).

Other commercial contracts

The Council has a contract with EcoCentral for waste collection and management. This contract was not tendered. As at 2023/24 the Council paid $12.3 million (2023: $11.4 million) to EcoCentral and at year end $7,000 (2023: $0.2 million) was outstanding.

Subventions

The final Council tax position for the 2023 tax year resulted in Council transferring losses of $89.0 million (2022 tax year: $42.4 million) and receiving a payment of $34.6 million (2022 tax year: $16.5 million).

The total amount of tax losses transferred between group companies was $89.0 million (2022 tax year: $43.0 million).

30 Major budget variations (Parent only)

Statement of comprehensive revenue and expense

For the year ended 30 June 2024

Total revenue	$20 million higher than budget arising from:		
	Subsidies and grants	$99.8 million down	Primarily due to a lower Te Kaha crown funding due to being received in the previous financial year, NZTA funding and other subsidies.
	Development and financial contributions	$12.1 million up	Due to higher than expected subdivision volume.
	Finance revenue	$1.7 million down	Due to a combination of decreased advance to CCOs and decreased interest rate.
	Fees and charges	$43 million down	Mainly due to annual plan overstating fees and charges by including $26m of rental revenue and $17m of sundry revenue which is reported in the actuals under vested assets and other revenue for the current year.
	Vested assets and other revenues comprising:		
	Vested assets	$28.1 million up	Due to increased building activity from subdivisions.
	Insurance	$24.7 million up	Unplanned insurance proceeds
	Subventions	$7.4 million up	Due to higher available tax losses to transfer within the Group
	Sundry Revenue	$57.5 million up	Mainly due to annual plan understating sundry revenue by subvention receipts of $24m included in income tax expense annual plan, $17m of sundry revenue included in the fees and charges annual plan and $7m of sundry revenue included in grants and subsidies annual plan
	Dividend Revenue	$1.3 million down	Due to lower than expected performance from subsidiaries
	Rental Revenue	$32.5 million up	Primarily due to plan numbers being understated as rental revenue of $29m is included in the budget for fees and charges
Total expenses	$64.6 million higher than budget arising from:		
	Net (gains)/losses	$38 million up	Relating to loss on disposal of PPE and assets held for sale, and fair value adjustments for financial instruments.
	Depreciation and amortisation	$12.4 million up	Result from the increase in asset values and unplanned write-offs of assets.
	Other expenses including:		
	Personnel costs	$23.8 million up	Staff capitalisation costs were lower than anticipated this year, along with a shift in the allocation method used in the budget for staff costs capitalisation
	Other Expenses	$7.7 million down	Due to combination of lower than planned service contracts and building maintenance costs
	Finance costs	$2 million down	Crown revenues for Te Kaha received in FY 2023 resulted in a lower opening debt position which subsequently lowered the interest costs incurred by the Council

Total Other Comprehensive revenue and expenses	Asset revaluations	$936 million down	High level of revaluations were undertaken in the previous financial year, reducing the total revaluation for the current financial year.
	Subsidiary valuations	$223.4 million up	Valuations subject to market conditions existing at balance date
	Derivatives	$13.2 million down	Valuations subject to market conditions existing at balance date

Major budget variations (Parent only) *Continued*

Statement of financial position

As at 30 June 2024

	$79 million lower than budget explained by:		
Total assets	Cash and cash equivalents	$27 million up	Due to pre-funding before debt repayments to take advantage of lower interest rates.
	Investments and other financial assets	$97 million up	Due to a combination of revaluation increases and additional investments made during the year.
	Property, plant and equipment, intangible assets and Assets held for sale	$283 million down	Mainly due to the annual plan overstating revaluation forecast movement.
	Accounts receivables	$77 million up	Due to timing of invoicing and receipts.
	Changes to tax assets	$2 million up	Due to imputation credits attached to dividends.
	$47 million lower than budget explained by:		
Total liabilities	Borrowing	$89 million down	Due to the under delivery of capital projects, including the One New Zealand Stadium at Te Kaha.
	Other liabilities	$25 million up	Mainly due to unbudgeted income in advance for prepaid inspections, and prepaid rates by ratepayers.
	Payables	$11 million up	Due to timing of invoicing and payment.
	Provisions	$7 million up	Mainly due to unplanned changes to the building related claims provision and increases in landfill aftercare provision.
	Employee entitlements	$2 million down	Due to a decrease in staff costs, higher staff vacancies.

31 Remuneration

Accounting Policy / Kaupapahere Kaute

Section 32 of Schedule 10 of the Local Government Act 2002 requires the disclosure of the remuneration of the mayor, chairpersons, members and chief executive of local authorities. The Chief Executive Officer of the Council is appointed in accordance with section 42 of the Local Government Act 2002.

Chief Executive
The Chief Executive Officer of the Council is appointed in accordance with section 42 of the Local Government Act 2002.

Key Management Personnel
Key management personnel includes that of the Mayor, Councillors and Executive Leadership Team of the Council.

Cost of severance payments
Section 33 of Schedule 10 of the Local Government Act 2002 requires the disclosure of the number of employees who received severance payments during the year, and the amount of each severance payment made as defined under the legislation.

Elected members
The Remuneration Authority determines the remuneration, allowances and expenses payable to mayors, deputy mayors, members of local authorities plus chairpersons and members of community boards. Refer Schedule 7 of the Local Government Act 2002.

31.1 Chief Executive

The total cost to the council of the remuneration package paid or payable to the Chief Executive (including all contractual entitlements of salary, holiday pay, superannuation, any non-financial benefits and severance) was:

	30 Jun 24 $	30 Jun 23 $
Dawn Baxendale (resignation date: 30 November 2023)	745,002	543,943
Mary Richardson (Acting CE from 1 December 2023)	282,694	-

31.2 Key management personnel

	30 Jun 24 $000	30 Jun 23 $000
Key management personnel compensation		
Salaries and other short term benefits	4,886	3,896
Total	**4,886**	**3,896**

Commentary / Korerotanga

The remuneration details of the Chief Executive, Mayor and Councillors are set out in Notes 31.1 and 31.4. Key management personnel represent 28 full time equivalents (2023: 22). Remuneration includes severance costs.

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

31.3 Cost of severance payments

Commentary / Korerotanga

Severance payments relate to the termination of employment whether monetary in nature or otherwise. These payments are additional to any final payment of salary, holiday pay or superannuation contributions. For the year ended 30 June 2024, the Council made twelve severance payments to employees totalling $700,032 (30 June 2023: seven payments totalling $83,000).

The individual values of each of these Council severance payments are $231,534, $126,027, $124,971, $43,500, $33,000, $30,000, $27,500, $25,000, $24,500, $20,000, $8,500 and $5,500.

(30 June 2023: the value of each were $5,000, $7,000, $5,000, $16,000, $5,000, $25,000, $20,000).

Included in the figure above, in accordance with the Local Government Act 2002, a severance payment of $126,027 was made to the former Chief Executive Officer upon their departure. This is also included in the above Chief executive remuneration note 31.1.

31.4 Elected members – Council

	30 Jun 24 Council Remuneration $	30 Jun 24 Directors Fees * $	30 Jun 24 Total $	30 Jun 23 Council Remuneration $	30 Jun 23 Directors Fees $	30 Jun 23 Total $
Lianne Dalziel	-	-	-	60,798	-	60,798
Andrew Turner	-	-	-	40,922	-	40,922
Jimmy Chen	-	-	-	35,585	-	35,585
Catherine Chu	-	-	-	35,585	-	35,585
Melanie Coker	117,644	3,736	121,380	117,031	4,871	121,902
Pauline Cotter	135,291	13,563	148,854	124,294	6,165	130,459
Mike Davidson	-	-	-	35,585	-	35,585
Celeste Donovan	117,644	-	117,644	117,031	-	117,031
Anne Galloway	-	-	-	35,585	-	35,585
James Gough	117,644	-	117,644	117,031	-	117,031
Yani Johanson	117,644	-	117,644	117,031	5,137	122,168
Aaron Keown	117,644	-	117,644	117,031	-	117,031
Sam MacDonald	117,644	-	117,644	117,031	-	117,031
Phil Mauger	199,992	-	199,992	174,041	5,137	179,178
Jake McLellan-Dowling	117,644	13,563	131,207	117,031	6,165	123,196
Tim Scandrett	117,644	-	117,644	117,031	-	117,031
Sara Templeton	117,644	-	117,644	117,031	-	117,031
Victoria Henstock	117,644	-	117,644	81,446	-	81,446
Mark Peters	117,644	-	117,644	89,186	-	89,186
Tyrone Fields	117,644	-	117,644	84,569	-	84,569
Andrei Moore	117,644	-	117,644	89,186	-	89,186
Tyla Harrison-Hunt	117,644	-	117,644	81,446	-	81,446
Kelly Barber	117,644	-	117,644	96,321	-	96,321
	-	-	-			
	2,099,936	**30,862**	**2,130,798**	**2,117,828**	**27,475**	**2,145,303**

Commentary / Korerotanga

Elected member remuneration includes salary and resource consent hearing fees (where applicable) but excludes mileage and other reimbursing allowances of $32,642 (2023: $21,902).

Councillors who are directors of Christchurch City Holdings Limited and ChristchurchNZ Holdings Limited do not receive directors' fees. Both companies make a charitable donation in lieu of paying director fees directly to Councillors.

Councillor Cotter, Councillor McLellan and Councillor Coker donated their directors' fees to Mayor's Welfare Fund (MWF) in 2024.

31.5 Elected members – Board Members

		30 Jun 24 Total Remuneration $	30 Jun 23 Total Remuneration $
	Te Pātaka o Rākaihautū Banks Peninsula Community Board		
c	Leslie Lyn	20,705	7,034
	Asif Hussain	10,542	7,034
	Nigel Harrison	10,542	10,157
	Reuben Davidson	4,083	16,826
	Howard Needham	10,542	10,157
	Luana Swindells	10,542	7,034
	Cathy Lum-Webb	10,542	7,034
	Tori Peden	-	6,242
	Jamie Stewart	-	3,124
	Scott Winter	-	3,124
	Jillian Frater	3,571	-
	Waimāero Fendalton-Waimairi-Harewood Community Board		
c	Jason Middlemiss	29,252	24,511
dc	Bridget Williams	50,247	48,417
	David Cartwright	25,779	24,511
	Linda Chen	25,779	24,511
	Nicola McCormick	25,779	17,172
	Shirish Paranjape	25,779	24,511
	Mike Wall	-	7,339
	Waitai Coastal-Burwood – Linwood Community Board		
c	Paul McMahon	51,772	33,783
dc	Jackie Simons	25,877	24,980
	Tim Baker	25,877	17,240
	Alex Hewison	25,877	17,240
	Greg Mitchell	25,877	17,240
	Jo Zervos	25,877	24,674
	Alexandra Davids	-	15,481
	Bebe Frayle	-	7,435
	Linda Stewart	-	7,435

		30 Jun 24 Total Remuneration $	30 Jun 23 Total Remuneration $
	Waihoro Spreydon-Cashmere- Heathcote Community Board		
c	Callum Ward	54,112	42,592
dc	Keir Leslie	27,065	25,457
	Will Hall	27,065	18,023
	Roy Kenneally	27,065	18,023
	Tim Lindley	27,065	25,763
	Lee Sampson	27,065	25,457
	Karolin Potter	-	14,876
	Waipuna Halswell-Hornby-Riccarton Community Board		
dc	Helen Broughton	49,985	42,436
c	Marie Pollisco	29,852	17,699
	Sarah Brunton	26,578	17,699
	Henk Buunk	26,578	17,699
	Imam Gamal Fouda	26,578	25,439
	Debbie Mora	26,578	25,439
	Mike Mora	-	15,481
	Waipapa Papanui-Innes- Central Community Board		
c	Emma Norrish	49,240	46,861
dc	Simon Britten	24,611	23,837
	Sunita Gautam	24,611	24,143
	Alison Jones	24,611	15,454
	John Miller	24,611	16,403
	Emma Twaddell	24,611	23,837

c denotes chairperson
dc denotes deputy chairperson

	30 Jun 24	30 Jun 23
Total	**992,721**	**896,859**

Commentary / Korerotanga

The Board members remuneration excludes members travel time, travel mileage and ICT allowance of $102,899 (2023: $34,254).

Board Member remuneration includes salary and resource consent hearing fees (where applicable) but excludes mileage, travel time and ICT allowance.

See Note 29 Related Parties for detail on transactions between Council and elected members and key management personnel that were not at arm's length.

31.6 Council employees

As per section 32A of the Local Government Act 2002, at balance date, local authorities report all employees who were employed on 30 June excluding information about employees who left during the year.

Clause 32A requires disclosure of a council's number of employees in bands based on their total annual remuneration.

Total remuneration includes any salary, wages, and any other payments or benefits (monetary or non-monetary) in return for services (as opposed to any 'tool of the trade' provided to enable an employee to fulfil their role, or otherwise assist them in their duties). This also includes non-financial benefits such as superannuation benefits provided to employees, relocation (only if the employee started within the period) and bonus (only if paid within the period).

At balance date, the Council employed 3,053 (2023: 2,808) staff members. These comprised 1,919 (2023: 1,819) full time employees with the balance of employees representing 404 (2023: 380) full-time equivalent employees. An employee is a full-time employee if they normally work 37.5 hours or more per working week.

The numbers of employees who were employed at 30 June are detailed below. Those receiving remuneration of $60,000 or more are grouped into $20,000 bands. If there are fewer than six employees in a band, they are combined upwards with the next banding as stipulated in the LGA 2002.

Salary band	30 Jun 24 Number of Employees	Salary band	30 Jun 23 Number of Employees
0 to 59,999	1,062	Less than 60,000	1,039
60,000 to 79,999	591	$60,001 to $80,000	622
80,000 to 99,999	497	$80,001 to $100,000	442
100,000 to 119,999	415	$100,001 to $120,000	338
120,000 to 139,999	271	$120,001 to $140,000	222
140,000 to 159,999	144	$140,001 to $160,000	95
160,000 to 179,999	39	$160,001 to $180,000	22
180,000 to 199,999	14	$180,001 to $200,000	11
200,000 to 219,999	11	$200,001 to $220,000	11
220,000 to 319,999	7	$220,001 to $560,000	6
320,000 to 519,999	2		
Total employees	**3,053**	**Total employees**	**2,808**

Commentary / Korerotanga

Overall, the number of full-time equivalent employees of the Parent increased by 100 or 5 %.

The increase in Full-Time Equivalents (FTEs) is primarily attributable to the internalisation of Parks management services. Additionally, the establishment of the Matatiki Hornby Centre and an organization wide reduction in vacant positions has contributed to an overall increase in FTEs.

32 Capital management

The Council's capital (equity or ratepayer's funds) comprises of retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

Intergenerational equity

The Council's objective is to manage the balance between rating (for funds) and borrowing to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets but does not expect them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for the renewal and maintenance programmes of major classes of assets to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and level of funding are set out in the funding and financial policies of the Long Term Plan.

33 Legislative requirements

33.1 Council Controlled Organisations (CCOs)

The Local Government Act 2002 (LGA) requires the board of a CCO to deliver an annual report, half year report, and a quarterly report (if requested by the shareholder) and a statement of intent to its shareholders within specified timeframes.

In 2023/24, the following CCOs were unable to meet the statutory timeframes for 30 June 2023 annual reports due to delays in its audit programme:

- Civic building Limited
- Riccarton Bush Trust
- Te Kaha Project Delivery Limited
- Mayors Welfare Fund

In addition, the following CCOs were unable to meet the statutory deadlines for 30 June 2024 annual reports due to delays in its audit programme:

- Mayors Welfare Fund
- Development Christchurch Limited

Central Plains Water Trust delivered its draft SOI to the Council on 15 March, against a statutory due date of 1 March, however, they were given one month extension per LGA.

34 Subsequent events

34.1 Parent

The Parent does not have any significant events in 2024.

34.2 Group

CCHL Bond issue

In October 2024, CCHL issued $200m of Wholesale Unlisted debt instruments ($75m for three years and $125m for seven years). Proceeds will be used to repay existing borrowing as it matures – specifically, $150m of Retail Listed Bonds and $50m of Council loans. This will result in a minor increase in the average term to maturity of the Council Group's borrowing; there is no impact on the Group's interest rate risk.

Ōtautahi Community Housing Trust

Since balance date, on 24 July 2024, the Trust transferred the titles of 10 units for the Carey Street development to Paenga Kupenga and on 7 August 2024, the Hills Road development received practical completion.

ChristchurchNZ Limited

There were no significant events subsequent to the reporting date which require disclosure in the financial statements.

From 1 July 2022, CNZ adopted revised Accounting and Treasury Management Policies, in the anticipation of completing a shortform amalgamation of Development Christchurch Ltd (DCL) into ChristchurchNZ. The shareholder (CCC) has approved the amalgamation of DCL into CNZ however the timing of the amalgamation has not been confirmed. Upon amalgamation, CNZ will receive the net assets of DCL (estimated book value of $18m) to provide the capital funding required for the operation of the Urban Development Function which is now a core component of CNZ activity.

Venues Ōtautahi Limited

There are no material events known to Directors occurring after balance date that would have a significant impact on the financial statements for the year ended 30 June 2024.

Of note, the naming rights partnership between Venues Ōtautahi and One New Zealand for Te Kaha Stadium was announced in July 2024. This has resulted in a switch from the name 'Te Kaha, Canterbury's Multi-Use Arena' – which we have been using throughout the design and build process – to 'One New Zealand Stadium at Te Kaha'.

The name Te Kaha was gifted to the city by Ngai Tūāhuriri and will continue to be acknowledged both in the tagline 'at Te Kaha' and through the name of the surrounding precinct, which is called Te Kaharoa in full (meaning enduring strength).

The One New Zealand Stadium at Te Kaha name will remain for years to come, as the sponsorship agreement is in place until 2036. There is no financial impacts of this partnership in FY23/24.

35 Local Water Done Well Bill

In response to the Local Government (Water Services Preliminary Arrangements) Act 2024 and Local Water Done Well reforms currently underway, the Council has been required to prepare, consult on, and adopt a Water Service Delivery Plan (WSDP), detailing how the Council plans to fund, manage and deliver water services in the future. This initiative represents a significant shift in the governance and management of water services across New Zealand, focusing on improving the quality, safety, and sustainability of water delivery for communities.

As at the time of reporting, the reforms remain in progress, and while the Council continues to fulfil its obligations around consultation and the development of the WSDP, these changes have not had any impact on the 2024 financial statements or the associated performance information. The financial and operational outcomes of the reform will be reassessed as the implementation progresses.

Group structure and Council Controlled Organisations

In order to achieve the Council's objectives it has established or invested in a number of companies and trusts. These organisations are managed independently to deliver significant services including the operation of infrastructure assets or to enable administrative efficiencies to be achieved.

Through its wholly owned investment arm Christchurch City Holdings Ltd (CCHL), the Council has invested in a number of infrastructure assets which operate as commercial businesses at arms length from the Council. The Council also has invested directly in other CCOs on the same basis – ChristchurchNZ, Venues Ōtautahi, Civic Building Ltd and Transwaste Canterbury Ltd.

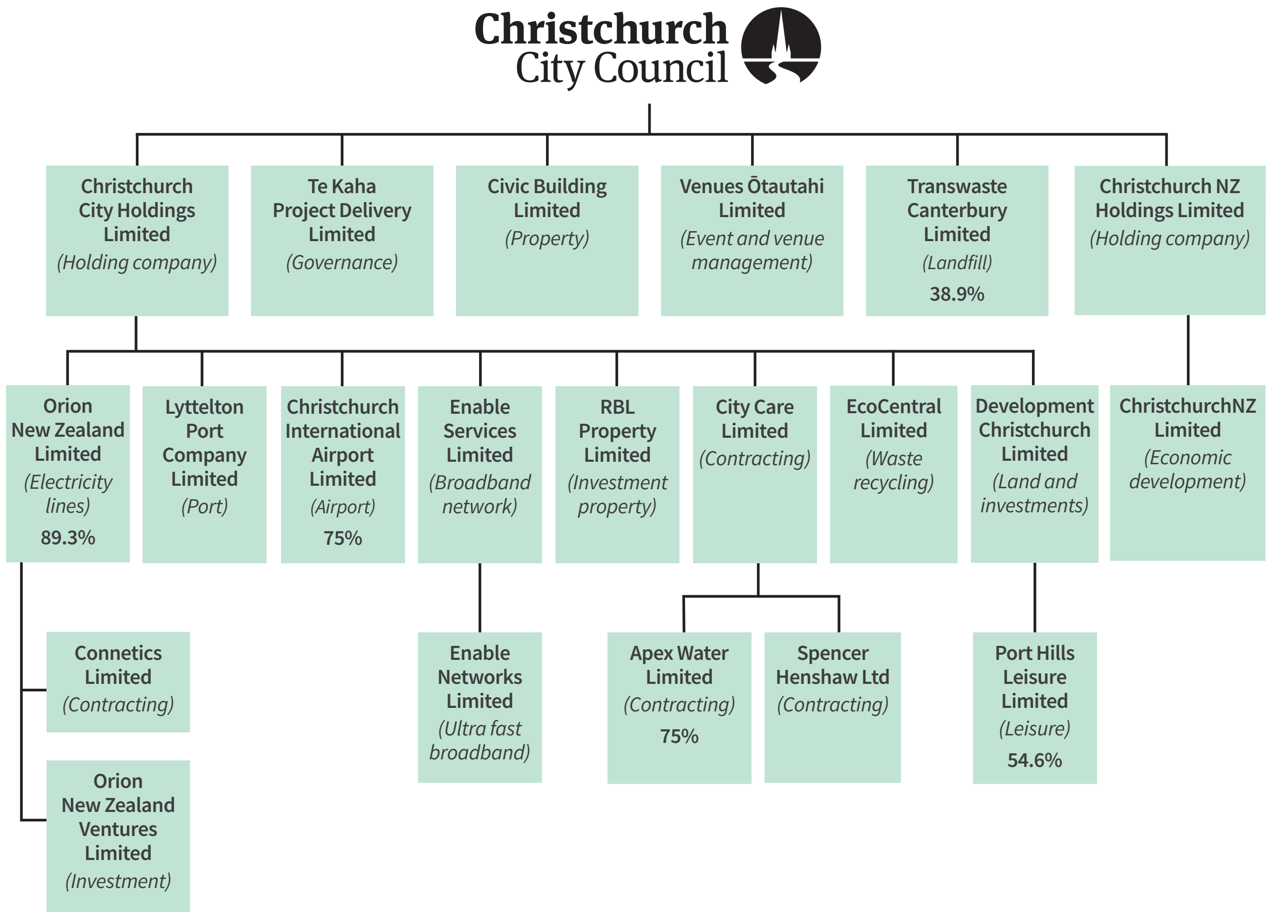
In addition to these organisations the Council has interests in three trusts which deliver public benefits – Riccarton Bush Trust, Rod Donald Banks Peninsula Trust and Central Plains Water Trust.

This section explains what the organisations do, how their performance is measured and how they performed during 2023/24.

Group structure and Council Controlled Organisations

Group structure as at 30 June 2024

100% ownership unless otherwise stated



Group structure and Council Controlled Organisations

Summary financial table

For more detail refer to individual company reports.

	Income	Net result (after tax)	
	2024	2024	2023
	$000	$000	$000
Orion New Zealand Ltd	334,666	11,595	21,618
Lyttelton Port Company Ltd	195,006	9,941	18,959
Christchurch International Airport Ltd	246,564	22,731	36,844
City Care Ltd	623,997	9,094	11,420
Enable Services Ltd	123,059	34,447	28,319
EcoCentral Ltd	58,412	2,740	2,120
RBL Property Ltd	3,998	3,421	446
Development Christchurch Ltd	-	-	293
Venues Ōtautahi Ltd	27,713	(21,639)	(3,005)
Civic Building Ltd	4,351	(4,376)	10
ChristchurchNZ Holdings Ltd	20,850	1,497	(1,799)
Transwaste Canterbury Ltd	73,581	14,542	15,632
Riccarton Bush Trust	912	(41)	(170)
Rod Donald Banks Peninsula Trust	1,649	1,322	(1,912)
Central Plains Water Trust	-	-	-
Te Kaha Project Delivery Ltd	616	-	-
Ōtautahi Community Housing Trust	38,462	7,204	1,056

Christchurch City Holdings Ltd

www.cchl.co.nz

CCHL is the wholly owned commercial and investment arm of the Council. It holds shares in the following mostly trading companies and undertakes all governance activities, as well as monitoring and reporting on their performance.

Subsidiary companies

- Orion New Zealand Ltd
- Christchurch International Airport Ltd
- Lyttelton Port Company Ltd
- Enable Services Ltd
- City Care Ltd
- RBL Property Ltd (formerly Red Bus Ltd)
- EcoCentral Ltd
- Development Christchurch Ltd

Nature and scope of activities

CCHL's mission is to support the future growth of Christchurch by investing in key infrastructure assets that are commercially viable and environmentally and socially sustainable.

The company's core role is to monitor the Council's commercial investments, which largely service the region's infrastructure needs. The key objective of the CCHL group of companies is to deliver strong financial returns and dividends to the Council and increase shareholder value and regional prosperity through growth, investment and dividend payments.

Policies and objectives relating to ownership and control

CCHL was established to group the Council's for-profit trading enterprises under one umbrella, and to provide a single arms-length interface between these CCTOs and the Council.

Section 59 of the Local Government Act 2002 sets out the principal objective of CCOs. These objectives underpin CCHL's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Sustainability

The Group has continued to make progress in how it measures and reports on group wide greenhouse gas (GHG) emissions, which will be reflected in the FY24 Climate Statement due for release on 31 October 2024. The Group remains committed to addressing climate change and the impact its subsidiaries have on the environment, the need to build resilience, and understand and manage risk. The Group continues to work towards reducing emissions, and individual subsidiaries within the CCHL Group have developed and are reporting against their own sustainability metrics, including emissions reduction performance measures, noting that each subsidiary is at a different stage of their own carbon reduction journey and as a result there is variability in the scope of activities captured by their measures in FY24. The CCHL Group has chosen to include measures of its greenhouse gas (GHG) emissions in its performance information. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources is still evolving, as are GHG reporting and assurance standards. This has resulted in an emphasis of matter paragraph being included in the audit reports of CIAL, Citycare, Enable and Orion, as well as in CCHL Group's own audit report, to highlight this uncertainty to its readers. CCHL is a climate reporting entity for the purposes of the Financial Markets Conduct Act 2013. Full climate statements will be available when released at www.cchl.co.nz/annual-reports CIAL, Citycare, Enable, LPC and Orion have included the following performance measures in their FY24 SOI's, considered material to the Group, which further demonstrates the progress in this Group journey.

Key performance targets	**2024 Target**	**2024 Actual**
Financial		
Net profit after tax	$84 million	Not achieved $68 million
CCHL financial and distribution performance meets the shareholder's expectations	CCHL pays a dividend that meets or exceeds $50.7 million	Achieved $50.7 million
Return on equity	3.30%	Not achieved 2.5%
Net debt/net debt plus equity	48%	Achieved 45%
Interest cover (times)	2.1	Achieved 2.4
Shareholders funds/total assets	44%	Achieved 46%
An optimal approach to capital structure	CCHL remains compliant with key financial ratios	Achieved – in compliance with Master Trust Deed covenants

Integrate CCC's value strategy into portfolio economic objectives	Investment Policy Statement	Partially achieved – Value Strategy developed, to be considered in FY25
Governance		
CCHL is committed to fair and equitable pay for all people and roles across the group	Conduct an analysis of the drivers of the gender pay gap, tools and levers (including action plans in place) to close the gap across the CCHL group	Achieved
Health and Safety		
CCHL requires subsidiaries to adopt and implement appropriate policies to ensure the health, safety and wellbeing of all people across the group	CCHL will capture and report key metrics (lead/lag indicators) for health and safety across the group	Achieved. CCHL is notified of all critical risk incidents and including health and safety in quarterly reporting
Sustainability		

Natural

Performance measure	Performance target	2024 result
CCHL Group companies demonstrate commitment to tangible climate action through Greenhouse Gas (GHG) emissions measurement and reduction targets in line with CCC's 2030 emissions reduction target.	CCHL Group (and each subsidiary) will publish annual independently verified GHG emission inventory according to ISO 14064 best practice.	**In progress** The Group will publish a consolidated independently verified GHG inventory according to ISO 14064 best practice in its FY24 Climate Statement (due for release on 31 October 2024). The following subsidiaries will publish independently verified GHG inventories in accordance with ISO 14064 best practice: Orion – FY24 inventory verified by Toitu CIAL – FY24 inventory verified by Ruby Canyon Environmental, Inc. LPC – FY24 inventory verified by McHugh Shaw Enable – FY24 inventory verified by McHugh Shaw Citycare – FY24 inventory verified by McHugh Shaw EcoCentral – FY24 inventory verified by Opportune RBL and DCL do not have GHG measures or inventories established, have limited trading activity and their GHG emissions are not considered material to the Group.
	CCHL Group (and each subsidiary) will commit to reduce emissions, ahead of, or in alignment with, science-based reduction targets to limit warming to 1.5 degrees.	**In progress** Group GHG Emissions Reduction Plan approved in May 2024 with a commitment to align to Science Based Targets for Scope 1 and 2 emissions. Emission reduction targets have been developed using information from www.sciencebasedtargets.org, and going forward, CCHL (and its subsidiaries) will review GHG emissions reduction targets in-line with the best available science that states what is needed to limit warming to within 1.5 degrees of warming above pre-industrial levels. CCHL is not making any claims that targets will be submitted to or validated by external parties such as the Science Based Targets initiative but will utilise publicly available tools and resources from the Science Based Targets initiative to model target requirements.
	CCHL Group (and subsidiaries) will implement the recommendations of the Group GHG emissions reduction management plan to agreed timeline.	**Not achieved** The plan was approved in May 2024. The work programme and implementation of initiatives across the Group will commence and be reported against in FY25.
Demonstrate commitment to broader planetary boundaries including biodiversity.	Investigate and determine the most appropriate framework/s to measure baseline data and determine the most appropriate frameworks (SBTn, TNFD, or planetary boundaries).	**Not achieved** Subsidiaries continue to develop their own biodiversity programmes but no Group framework developed.
CCHL Group will assess and disclose climate change risks standards.	Assess the risk and impact of the effects of climate change on physical assets and the services they provide.	**In progress** To be published in CCHL's Climate Statement released on 31 October 2024.
	CCHL will publish its first CCHL Group Climate Risk Report in FY24.	**In progress** To be published in CCHL's Climate Statement released on 31 October 2024

Orion New Zealand Ltd

www.oriongroup.co.nz

Orion is an energy network management company in which Council has an 89.3% shareholding through CCHL (the remaining 10.7% is owned by Selwyn District Council). Orion owns Connetics Ltd, an electrical contracting service provider to utility network operators, local authorities, developers and commercial/industrial customers.

Subsidiary companies

- Connetics Ltd
- Orion NZ Ventures Ltd

Nature and scope of activities

Orion owns and operates the electricity distribution network between the Waimakariri and Rakaia rivers and from the Canterbury coast to Arthur's Pass. It has 220,800 customer connections, and is New Zealand's third largest electricity distribution business in terms of line revenue, asset size and system length (km).

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of Council-controlled organisations. These objectives underpin Orion's strategic direction and business plans including the achievement of the shareholder's commercial and non-commercial objectives and conducting its affairs in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets	**2024 Target**	**2024 Actual**
Net profit after tax	$16.0 million	Not achieved $11.6 million
Return on average equity	1.9%	Not achieved 1.5%
Network reliability targets		
Overall network - Minutes of supply interruptions per customer (SAIDI)	124.39	Achieved 84.95
Overall network - Number of supply interruptions per customer (SAIFI)	1.1832	Achieved 0.7078
Health and Safety targets		
Events resulting in serious injury	to Orion group employees ≤4	Not achieved 5
	to Orion service providers ≤4	Achieved 1
	to the public ≤1	Not achieved 2

SAIDI and SAIFI measures are international industry standards which enable assessment of network performance. The targets are consistent with the Commission's network reliability limits for Orion for the year, pursuant to Orion's customised price-quality path.

Financial summary
Statement of financial performance for the year ended 31 March 2024

	2024 Actual $000	**2023 Actual $000**
Operating revenue	334,365	322,617
Finance Income	301	38
Operating and other expenses	311,837	294,986
Operating profit before tax	22,829	27,669
Tax (benefit)	11,234	6,051
Net profit for the year	11,595	21,618

Net profit after tax is $11.6 million in 2023/24 compared to $21.6 million in 2022/23. The reduction of $10 million is largely due to increased interest costs of $4.1 million and the impact of the Government's removal of tax depreciation on commercial buildings of $5.2 million. Higher depreciation due to significant capital expenditure and 2022/23 asset revaluations of $3.7 million and increased costs (in part from significant inflation increase) of $8 million were offset by increased revenue from service delivery of $10.5 million.

Dividends paid to CCHL of $22.3 million.

Sustainability

Subsidiary	Performance target	2024 result
Orion	Achieve carbon reduction targets: reduction in group corporate emission to at least 2620t CO2e during FY24.	**Not achieved** Organisational boundaries are set with reference to the methodology described in the Green House Gas (GHG) Protocol and ISO 14064:2018 standards. Orion use an equity share consolidation approach. This approach includes consolidating emissions from its wholly owned subsidiary Connetics. Emissions and reductions are reported using a location-based methodology, identifying where renewable electricity certificates have been purchased. The emission sources included and excluded from Orion's operational carbon emissions target are detailed below, along with the reasons for exclusion where the emission source is material: Scope 1: Mobile combustion (diesel, petrol), stationary combustion (diesel), leakage of refrigerants. Scope 2: Imported electricity – commercial buildings. Scope 3: Business travel – transport, Upstream freight paid by Orion Group, Downstream freight paid by Orion, Disposal of solid waste to landfill. Emissions not included in Group operational emissions: Scope 2 tCO2e: Transmission & distribution losses. Scope 3 tCO2e: Working from home Accommodation. For the breakdown of the emissions each scope, refer to Orion's audited financial statements. Toitū Envirocare describes Scope 3 value chain emissions as 'mandatory' or 'additional'. Emissions classed as 'additional' are excluded from Orion's current measurement and operational reduction target until they are satisfied data quality and level of influence is sufficient to include them. Orion have also excluded emissions associated with any properties leased to third parties as they do not have any control or influence over emissions from these locations. Scope 3 emission sources that are likely to be material, but which have been excluded from measurement to date include purchased goods and services, capital goods and commuting. Orion anticipate these will be included in their FY25 footprint. Wherever possible information on emission sources is drawn from the vendor in the most robust measure available (for example litres of fuel). Where this is not possible, Orion rely on spend-based emission factors which carry a greater level of uncertainty. Location based emissions: 3,278 tCO2e With Renewable Energy Certificates (REC's): 3,174 tCO2e Orion has committed to a gross reduction target, to reduce its group operational emissions by 50% from its FY20 base year by 2030. Orion's operational reduction target covers the parts of its Scope 1, 2 and 3 emissions where it has the most influence. On that basis, Orion exclude its intractable Scope 2 distribution losses from its operational carbon target as, although these are material, they are largely outside of Orion's control at the present time. Orion also exclude other Scope 3 sources for the same reason. This allows Orion to focus its reduction efforts on the areas of operations where it believes it can actively make a difference. Orion have worked with the Planetary Accounting Network to ensure the target is aligned to keep warming within 1.5 degrees as much as possible. Orion do not call its target 'science based' because it excludes Scope 2 transmission & distribution losses from the reduction target. Orion's targets and reduction plans are also certified to meet the requirements of the Toitū Envirocare Carbonreduce programme. Orion has a reduction plan certified to meet the requirements of the Toitū Envirocare Carbonreduce programme and its annual carbon 'budget' is set in line with reduction pathways that target key drivers of carbon usage at Orion and Connetics such as vehicle type in its fleet and how the team use their vehicles. Successful action on these carbon drivers should let Orion achieve its 50% reduction target for operational emissions. Orion anticipate most of these reductions will be achieved in the latter half of the decade as more efficient vehicles are available to use in the fleet. This year Orion also purchased Renewable Energy Certificates (RECs) to address emissions associated with its Scope 2 operational electricity use. Additional detail on Orion's GHG emissions and its reduction journey can be found in Orion's Climate Statement and on its website.

Lyttelton Port Company Ltd

www.lpc.co.nz

Lyttelton Port Company Ltd (LPC) operates under the Port Companies Act 1988. As a fully owned subsidiary of CCHL, it manages the port assets, including land and facilities on a commercial basis.

Lyttelton Port is the South Island's largest port by volume and the third largest container port in New Zealand. It provides a vital link to international trade routes and plays a key role in the global transport network.

Nature and scope of activities

LPC is involved in providing land, facilities, plant and labour for the receiving, delivery, stockpiling, stacking and shipping of a wide range of products; the ownership of land and facilities necessary to maintain LPC's commercial assets; and the provision of facilities associated with the repair and servicing of vessels.

Policies and objectives relating to ownership and control

LPC is recognised as a strategic Council asset, operating in a commercial manner in a way that benefits the region as a whole.

Section 59 of the Local Government Act 2002 sets out the principal objective of Council-controlled organisations. These objectives underpin LPC's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets	2024 Target	2024 Actual
Net profit after tax	$24.0 million	Not achieved $9.9 million
Return on average equity	6.1%	Not achieved 4.5%
Health, safety and wellbeing		
Total recordable injury frequency rate (TRIFR)	<2	Achieved 1.81
Lost time injury frequency rate	<2	Achieved 1

Financial summary

Statement of financial performance for the year ended 30 June 2024

	2024 Actual $000	2023 Actual $000
Operating revenue	193,772	181,662
Finance Income	1,234	1,399
Operating and other expenses	171,790	156,541
Operating profit before tax	23,216	26,520
Tax (benefit)	13,275	7,561
Net profit for the year	9,941	18,959

Net profit after tax is $9.9 million in 2023/24 compared to $18.9 million in 2022/23. The reduction of $9 million is largely due to increased interest costs of $4.3 million and higher tax by $5.7 million due to the impact of the Government's removal of tax depreciation on commercial buildings.

Dividends paid to CCHL were $10.6 million.

Sustainability

Subsidiary	Performance target	2024 result
LPC	15% reduction in Scope 1 and 2 operational emissions or carbon intensity from baseline year 2018.	**Achieved** In LPC's baseline year (FY18) LPC's Scope 1 and 2 emissions were 10,143 tonnes CO2e. This figure was audited in accordance with ISO 14060:2018 under the Toitū Envirocare Carbonreduce programme. For FY24, LPC's Scope 1 and 2 emissions were 8,631 tonnes CO2e. There was a 15% decrease in Scope 1 and 2 emissions from FY18 to FY24.

Christchurch International Airport Ltd

www.christchurch-airport.co.nz

Christchurch International Airport Ltd (CIAL) is jointly owned by CCHL (75%) and the Crown (25%). The primary activity of the company is to own and operate the Christchurch International Airport efficiently and on sound business principles.

In addition to its primary business of serving the aviation industry and its customers, the company actively markets Christchurch, Canterbury and the South Island as a major destination for overseas visitors, and delivers airport land for retail, commercial and freight logistics' businesses.

Nature and scope of activities

The company operates the airport for the benefit of commercial and non-commercial aviation users, and in accordance with its aerodrome licence. The airport is located 10 kilometres northwest of Christchurch city centre, on the western city development edge and is a critical piece of national and regional infrastructure.

As the gateway for Christchurch and the South Island, the airport is New Zealand's second largest airport based on passenger numbers and the busiest and most strategic air connection for the South Island trade and tourism markets.

CIAL is responsible for the efficient and safe operation of the airport, while aiming to provide the airport's diversity of users with modern, appropriate and efficient facilities and services.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objective of Council-controlled organisations. These objectives underpin CIAL's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets	2024 Target	2024 Actual
Net profit after tax	$41.3 million	Not achieved $22.7 million
Return on capital (EBIT/(equity + debt)	4.3%	Achieved 5.1%
Domestic passengers	5,031,405	Not achieved 4,848,814
International passengers	1,414,070	Not achieved 1,403,945
Health and Safety	Maintain health, safety and wellbeing score above 75% in annual culture and engagement survey	Not achieved 69%

Financial summary

Statement of financial performance for the year ended 30 June 2024

	2024 Actual $000	2023 Actual $000
Operating revenue	233,053	203,080
Finance Income	761	380
Fair value gain on investment properties	12,750	
Operating and other expenses	172,629	162,392
Operating profit before tax	73,935	41,068
Tax (benefit)	51,204	4,224
Net profit for the year	22,731	36,844

Net profit after tax is $22.7 million in 2023/24 compared with $36.8 million in 2022/23 – a reduction of $14.1 million. This reflects increased operating revenue of $30.0 million attributable to a 10% increase in passengers and 96% occupancy of the property portfolio. Added to this was a fair value gain on investment property of $12.7 million, an increase over 2022/23's reduction in value of $17.2 million). Operating costs increased by $11.3 million reflecting in part inflationary pressure in the economy and finance costs were higher by $2.6 million. Tax increased by $47.0 million which included the impact of the Government's removal of tax depreciation on commercial buildings of $30.1 million.

Dividends paid to CCHL of $24.09 million.

Sustainability

Subsidiary	Performance target	2024 result
CIAL	Maintain trend with milestone emissions reduction goal of 84% reduction in Scope 1 and 2 by 2035 (using FY2015 carbon baseline).	Achieved Scope 1 & 2 emissions for FY24 was 92% reduced against the 2015 baseline using the market-based approach. This reduction has primarily been achieved through a combination of reduced diesel consumption, improved energy efficiency (reducing total electricity consumption from 15,221,923 kWh to 14,186,118 kWh of electricity), and the purchase of renewable energy certificates to address all remaining electricity consumption. If using a location-based approach and not considering renewable energy certificates, total emissions for CIAL's electricity consumption have reduced to 1,034tCO_2e from the 2015 baseline of 1,811tCO_2e. The company is developing Kōwhai Park that will connect the campus to on-site renewables anticipated from 2026.

City Care Ltd

www.citycare.co.nz

City Care Ltd's (CCL's) primary activity constructing, maintaining and managing infrastructure and property assets. It is a wholly-owned company of CCHL.

City Care has a 75% shareholding in Apex Water Ltd, a design and build company of wastewater treatment plants. In the 2023 financial year CCL acquired 100% of property maintenance company Spencer Henshaw Ltd.

Nature and scope of activities
CCL's main service offerings are:

- City Care Water – three waters design, construction and maintenance solutions, asset management and optimisation services, network management and resilience solutions.
- City Care Property – asset and facilities management, property maintenance and trade services, open space and parks maintenance, building construction and capital works including landscapes as well as project management services.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objective of Council-controlled organisations. These objectives underpin CCL's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets	2024 Target	2024 Actual
Net profit after tax	$8.785 million	Achieved $9.094 million
Return on Equity	10.9%	Achieved 11.6%
Health & Safety		
	Grow health and safety culture through utilisation of insights from the annual independent Concordia survey	Achieved

Financial summary
Statement of financial performance for the year ended 30 June 2024

	2024 Actual $000	2023 Actual $000
Operating revenue	623,143	585,335
Finance Income	854	706
Operating and other expenses	613,540	571,934
Operating profit before tax	10,457	14,107
Tax (benefit)	3,030	3,058
Profit after tax from discontinued operations	1,667	371
Net profit for the year	9,094	11,420

Net profit after tax is $9.1 million in 2023/24 compared with $11.4 million in 2022/23 – a reduction of $2.3 million. This reflects increased operating revenue less operating costs of net $2.7 million from business growth (including a full year's contribution from the 2022 acquisition of Spencer Henshaw (2023: 10 months)). A lower gain on sale of property, plant and equipment of $5.4 million and $1 million of additional amortisation expense offset the net gain in operational revenue.
An after-tax gain of $1.7 million which was higher than the prior year by $1.3 million from discontinued operations.

Sustainability

Subsidiary	Performance target	2024 result
Citycare	Annual reduction of Company-wide Greenhouse Gas emissions (GHG) normalised against annual turnover to reach 2030 goals.	**Achieved** Citycare are continuing its journey towards measuring companywide emissions. Citycare has an annual emissions reduction intensity target to ensure it can compare the impact of its reduction initiatives over time without being influenced by increases or decreases in the overall size of Citycare. Normalised emissions – tonnes of carbon dioxide equivalent (tCO2e)/$ revenue decreased from 0.00004112 against their audited 2023 emissions to 0.00003642 in 2024, a reduction of 11%. During the year ended 30 June 2024 Citycare sold the shares of SW Scaffolding Limited. To enable like-for-like comparison for past and future inventories, the group has removed SW Scaffolding's emissions from the FY22 base year and FY23. The base year recalculation has resulted in a revised emissions of 84 tCO2e lower than the emissions previously reported. Total gross emissions decreased by 2% and Scope 1 and 2 gross emissions decreased by 3% from the FY22 base year. This decrease can be attributed to a 1% reduction in overall fuel consumption, a 9% reduction in electricity emissions. These decreases include the impact of decrease in the fuel and electricity emission factors between FY22 and FY24. Citycare has started to build the capability to measure more indirect (Scope 3) emission sources from its entire value chain. Scope 3 subcontractor emissions and other Scope 3 supply chain emissions such as purchased goods and services are not currently included and would be significant. Citycare uses the equity consolidation approach to determine its organisational boundary. This means the reported results include the company, 100% Spencer Henshaw Limited and 75% of Apex Water Limited. Citycare has included all sites within this boundary for FY24. Citycare has included the following sources of emission: Scope 1: LPG Stationary use, diesel and petrol in vehicles. Scope 2: Purchased electricity. Scope 3: air travel*, accommodation*, rental cars*, transmission and distribution losses. *Spencer Henshaw Limited and Apex Water Limited are excluded from these reported emissions. For the breakdown of the emissions by each scope, refer to Citycare's audited financial statement.

Enable Services Ltd

www.enable.net.nz

Enable Services Ltd (ESL) is wholly owned by CCHL and trading as Enable Networks.

Nature and scope of activities
Enable's core business is to provide wholesale services over its fibre network infrastructure including retail fibre broadband, voice, internet, TV, video calling, content, gaming, and IT services provided to customers (such as homes, businesses, and schools).

Associate companies
Enable Networks Ltd (ENL).

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objective of Council-Controlled organisations. These objectives underpin ESL's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets	**2024 Target**	**2024 Actual**
Net profit after tax	$31 million	Achieved $34.4 million
Return on average equity	8.2%	Not achieved 8.1%
Connection service level agreement achieved	94.9%	Achieved 96.3%
Total network availability	>99.996%	Not achieved 99.988%
Continue to work with key contractors to minimise network infrastructure waste	Implement a reuse and recycling plan for first generation equipment as it is decommissioned	In progress
Health, safety and wellbeing		
Total recordable injuries frequency rate/million hours	<=5	Achieved 3.5
Serious harm injuries	0	Achieved 0

Financial summary
Statement of financial performance for the year ended 30 June 2024

	2024 Actual $000	**2023 Actual $000**
Operating revenue	122,196	108,228
Finance Income	863	589
Operating and other expenses	73,059	69,546
Operating profit before tax	50,000	39,271
Tax (benefit)	15,553	10,952
Net profit for the year	34,447	28,319

Net profit after tax is $34.4 million in 2023/24 compared with $28.3 million in 2022/23 – an increase of $6.1 million. This reflects increased operating revenue of $14.0 million from increased connections to the network and increased operating costs by $2.1 million, finance costs by $1.0 million and tax expense by $4.7 million which included the impact of the Government's removal of tax depreciation on commercial buildings of $2.2 million.

Dividends paid to CCHL of $20 million.

Sustainability

Subsidiary	Performance target	2024 result
Enable	Continue the focus on Scope 1 and 2 emissions reduction targets of 35% by FY25.	**In progress** FY24 Scope 1 and 2 emissions have decreased by 59 tCO2e (26%) to 168 tCO2e against the restated FY20 baseline, with the full years benefit from the solar panels on three central offices and 40% of vehicles now electric. There is some level of uncertainty associated with calculating Greenhouse Gas emissions. To minimise this uncertainty, all Scope 1 and 2 source data has been obtained directly from suppliers. Emissions have been calculated based on the most up to date emissions factors available from the Ministry for the Environment and supplier sources at the time the Greenhouse Gas emissions data is produced.

EcoCentral Ltd

www.ecocentral.co.nz

EcoCentral is wholly-owned by CCHL.

Nature and scope of Activities

EcoCentral oversees the processing of household and commercial refuse and the automated sorting of recycling throughout the Canterbury region. The company works to reduce the amount of waste going to landfill and finding ways to ensure Christchurch is a leader in recycling.

Eco manages:

- EcoShop, the retail outlet for the recycled goods rescued from the EcoDrop transfer stations, thereby diverting material from landfill.
- EcoSort, a large facility that receives all the 'Yellow Bin' recycling from Christchurch and surrounding areas where it is automatically sorted, baled and sold as reclaimed material. Material is sold either domestically or internationally to be made into new products.
- EcoDrop comprises three transfer stations for managing the city's recycling and refuse for both domestic and commercial waste. Each station has a recycling centre, household hazardous waste drop off area and a refuse area for general waste, green waste and hardfill.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objective of Council-controlled organisations. These objectives underpin EcoCentral's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets	2024 Target	2024 Actual
Net profit after tax	$1.239 million	Achieved $2.740 million
Return on average equity	9.7%	23.2%
EcoDrop – waste minimisation	Divert at least 60,000 tonnes from landfill.	Achieved 61,730 tonnes
EcoSort – plastic and fibre quality – total conforming material	99.5% purity	Achieved – 99.77%
EcoShop / Resource recovery – customer sales	130,000	Achieved 143,367
EcoShop – total resource recovery diverted from landfill	>6,500 tonnes	Achieved 8,149 tonnes
Improve operational efficiency of machinery and plant to reduce greenhouse gas emissions	Reduction in carbon footprint from FY2022/23 (710 t CO_2-e) - measured by tonnes of dioxide equivalent (Category 1 and 2 only – measured as tCO_2-e)	Not achieved – 717 (2022/23 710)

Financial summary

Statement of financial performance for the year ended 30 June 2024

	2024 Actual $000	2023 Actual $000
Operating revenue	57,768	54,514
Finance Income	644	320
Operating and other expenses	54,543	51,887
Operating profit before tax	3,869	2,947
Tax (benefit)	1,129	827
Net profit for the year	2,740	2,120

Net profit after tax is $2.7 million in 2023/24 compared with $2.1 million in 2022/23 – an increase of $0.6 million. This reflects increased net operating revenue of in part from strong prices for recyclable plastic and paper, increased commercial waste volumes and in part through cost savings.

Dividends paid to CCHL of $5 million.

RBL Property Ltd

RBL Property Limited is wholly owned by CCHL.
The company was formerly Red Bus Ltd which provided public passenger transport, freighting and ancillary services. The operations were sold in 2020.

Nature and scope of activities

The company owns a block of land and its only activities are leasing and managing the property until its future ownership has been decided.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objective of Council-controlled organisations. These objectives underpin RBL Property's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets	2024 Target	2024 Actual
Net profit after tax	$255,000	Achieved $3,421,000
Mana	Constructive relationship with owners regarding future of land holding	Achieved

Financial summary
Statement of financial performance for the year ended 30 June 2024

	2024 Actual $000	2023 Actual $000
Operating revenue	3,998	881
Finance Income		-
Operating and other expenses	297	325
Operating profit before tax	3,701	556
Tax (benefit)	280	110
Net profit for the year	3,421	446

Net profit after tax is $3.4 million in 2023/24 compared with $0.4 million in 2022/23 – an increase of $3 million from a gain on property value.

Development Christchurch Ltd (NOT RECEIVED, NOT AUDITED)

Development Christchurch Ltd (DCL) is wholly-owned by CCHL.

Nature and scope of activities
DCL was established by Council in 2015, with its purpose being to accelerate development activities in Christchurch's built environment. In mid-2020 the Council decided to transfer DCL's ongoing projects and functions to local agencies given the changing economic drivers in the city. DCL has retained ownership of land assets and an investment in the Christchurch Adventure Park pending eventual transfer to other Council-owned entities.

Policies and objectives relating to ownership and control
Section 59 of the Local Government Act 2002 sets out the principal objective of Council-controlled organisations. These objectives underpin DCL's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets	2024 Target	2024 Actual
Work closely with ChristchurchNZ Holdings Ltd to continue to dispose of land held for resale on commercial terms.	Confirmed sale and purchase agreements on all property held for resale for the benefit of the city.	
Monitor investment in Christchurch Adventure Park	Monitor and establish appropriate ownership model for Council's stake.	

Financial summary
Statement of financial performance for the year ended 30 June 2024

	2024 Actual $000	2023 Actual $000
Operating revenue		16,928
Finance Income		686
Operating and other expenses		16,956
Operating profit before tax	-	658
Tax (benefit)		365
Net profit for the year	-	293

Venues Ōtautahi Ltd

www.venuesotautahi.co.nz

VENUES ŌTAUTAHI

Venues Ōtautahi is wholly-owned by the Council.

Nature and scope of activities

Venues Ōtautahi has two areas of focus – attracting, hosting and managing events to its owned facilities and ownership and management of facilities. Venues Ōtautahi owns and/or operates the following venues:

- Town Hall (owned and managed);
- Wolfbrook Arena (formerly Christchurch Arena) (owned and managed);
- Apollo Projects Stadium (formerly Orangetheory Stadium), Addington (managed);
- Wigram Air Force Museum (managed); and
- Hagley Cricket Oval Pavilion (managed).

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of Council-controlled organisations. These objectives underpin Venues Ōtautahi's strategic direction and business plans including the achievement of the shareholder's commercial and non-commercial objectives and conducting its affairs in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets

	2024 Target	**2024 Actual**
Financial Target	EBITDA -$1.668 million	Not achieved -$2.237 million
Economic Impact Attract and manage events that generate positive financial impact	At least 15 major ticketed events at Venues Ōtautahi venues.	Achieved 16
Social and Cultural Impact Maximise attendance at Venues Ōtautahi venues	Guests to venues exceed 450,000	Achieved 642,775
Make venues available to support local community groups/ individuals	At least 40 events receive the community rate or the value of community discounts equate to at least $100,000	Achieved 57 / $184,000
Asset Care Ensure assets are maintained at a suitable level for general use at all venues	Assets are safe, compliant and operationally functional	Review of asset management plan undertaken On track
Health and safety	No serious harm incidents involving critical risks for guests, staff, or third party stakeholders	Not achieved – 1 serious harm incident relating to critical risk, working at height, involving a third party contractor. Addressed with immediate effect

Financial summary

Statement of financial performance for the year ended 30 June 2024

	2024 Actual $000	**2023 Actual $000**
Operating revenue	25,209	27,330
Operating expense	26,754	25,573
Net operating profit	(1,545)	1,757
Other revenue	2,504	3,752
Other expenses	9,054	9,674
Operating profit before tax	(8,095)	(4,165)
Tax (benefit)	13,544	(1,160)
Net surplus/(deficit)	(21,639)	(3,005)

The operating profit before tax was lower by $3.9 million from lower revenue of $3.3 million (fewer ticketed events ($1.3 million) and reduced Council grants ($1.9 million) reflecting lower interest costs following repayment of debt and lower asset management plan requirements). Costs were higher by $0.6 million due to uncontrollable operating expenses and overheads ($0.5 million) and Te Kaha (One.NZ Stadium) pre-opening costs ($0.7 million).

Tax costs included the impact of the Government's removal of tax depreciation on buildings of $19 million.

Sustainability and Environment		
Contribute to reducing the City's carbon footprint by achieving target of net carbon neutrality by 2030.	Achieve reduction carbon footprint.	The execution of the VŌ carbon reduction roadmap commenced in the first quarter of FY23/24. A formal partnership with GreenHalo, a carbon reporting system, has been established. At the end of the financial year, a reduction in the overall carbon footprint (for scope one and two category emissions) for Venues Ōtautahi has been achieved. Of note, the tools for the monitoring of refrigerants and water will be established n FY24/25.

Civic Building Ltd

Civic Building Ltd (CBL) is wholly-owned by the Council.

Nature and scope of activities
CBL owns a 50 per cent interest in the Christchurch Civic Building Joint Venture with Ngāi Tahu Property (CCC-JV) Limited. The joint venture owns the Civic building in Hereford Street.

Policies and objectives relating to ownership and control
Section 59 of the Local Government Act 2002 sets out the principal objectives of Council-controlled organisations. These objectives underpin CBL's strategic direction and business plans including the achievement of the shareholder's commercial and non-commercial objectives and conducting its affairs in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets

Objective and Strategy	2024 Target	2024 Actual
Net profit after tax	$0.438 million	Not achieved $-4.376 million
Manage the investment in a commercially astute and prudent manner	Ensure the Civic Building is managed in accordance with the management agreement	Achieved
The Civic building was designed to achieve a high standard in terms of environmental and energy sustainability	A framework is developed for recording the baseline energy consumption to the building then ongoing monitoring against this baseline	Achieved – baseline to be confirmed in 2025.
	Delivery of a space temperature between 20-24 degrees during the building's operational hours – 08:00-17:00	Achieved
	Any plant or system that helps reduce energy consumption is maintained and kept to a high standard of operation – lighting controls/rainwater tanks/solar panels	Achieved

Financial summary
Statement of financial performance for the year ended 30 June 2024

	2024 Actual $000	2023 Actual $000
Operating revenue	4,351	4,394
Operating and other expenses	4,151	4,395
Operating profit before tax	200	(1)
Tax (benefit)	4,576	(11)
Net profit for the year	(4,376)	10

The operating deficit after tax in 2023/24 is lower than in 2022/23 by $4.4 million. This is largely attributable to an income tax expense of $4.6 million which is the impact of the Government's removal of tax depreciation on buildings.

ChristchurchNZ Holdings Ltd

www.christchurchnz.com

ChristchurchNZ Holdings Ltd (CNZ) is wholly-owned by the Council. It is the holding company for the Council's investment in ChristchurchNZ (CNZ).

CNZ is Christchurch's economic development agency, responsible for delivering sustainable economic growth for Ōtautahi Christchurch on behalf of the Council.

Subsidiary and associate entities

CNZ is a joint venture partner with the Canterbury Employers' Chamber of Commerce in Canterbury Regional Business Partners Limited, a regional vehicle funded by the government to drive increased capability in small to medium sized entities.

Nature and scope of activities

CNZ's core priorities are job growth, improvement in economic, social and environmental competitiveness of Christchurch businesses and promotion of Christchurch nationally and globally to attract people to the city to do business, invest, study and live.

CNZ, along with its partners is responsible for developing, monitoring and implementing the Christchurch Economic Development Strategy, Christchurch Visitor Strategy, Christchurch Major Events Strategy and Christchurch Antarctic Gateway Strategy, and for developing the Christchurch City Narrative.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of Council-controlled organisations. These objectives underpin CNZ's strategic direction and business plans including the achievement of the shareholder's commercial and non-commercial objectives.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key Performance Targets

Strategic priority	2024 Target	2024 Actual
Carbon emissions	Reduce organisation's carbon footprint over 2018/19 baseline (120 tonnes)	Achieved – 98.9 tonnes.
Health and safety – harm to employees while working	Zero	Achieved - zero.
Long lasting job creation supported by CNZ	160 FTE jobs	Achieved 641
Short term job creation supported by CNZ through events, urban development and screen activity	430 FTE jobs.	Achieved 588.
Estimated value of GDP contribution attributable to CNZ	$50 million	Achieved $84 million
Contribution to visitor spend supported by CNZ	$30 million.	Achieved $53 million.
Value of investment into Christchurch supported by CNZ	$55 million.	Not achieved $37 million.

Financial summary

Statement of financial performance for the year ended 30 June 2024

	2024 Actual $000	2023 Actual $000
Operating revenue	20,850	24,185
Operating and other expenses	19,249	25,960
Operating profit before tax	1,601	(1,775)
Tax (benefit)	104	24
Net profit for the year	1,497	(1,799)

The surplus after tax of $1.5 million in 2023/24 compares to a loss of $1.8 million in 2022/23 this largely relates to the recognition of income and expenditure often not occurring in the same financial period. In 2024 Council funding for Major and Business Events increased by $1.9m, the majority of the $1.5m surplus in the 2024 year is from this event funding, which is currently held in reserve until payment is required for future events. Third party revenue reduced by $5.2 million largely due to the end of the Government's COVID recovery funding for events.

Transwaste Canterbury Ltd

Transwaste was incorporated in March 1999 with the principal purposes of selecting, consenting, developing, owning and operating a non-hazardous regional landfill in Canterbury. The landfill was opened in June 2005. Transwaste is a joint venture between local authorities in the region and Waste Management NZ Limited, with the Council owning 38.9 per cent.

Nature and scope of activities
Transwaste is responsible for developing and operating a non-hazardous regional landfill, to at least the standard determined by regulatory authorities.

Transwaste enters into contractual arrangements to ensure provision of a haulage fleet for hauling solid waste. This must be done economically and efficiently, and in compliance with relevant consents.

Transwaste will, in due course, invest in alternatives to landfilling for solid waste disposal, should these alternatives be more environmentally sustainable and cost effective.

Policies and objectives relating to ownership and control
It is critical that waste management achieves not only commercial requirements, but also wider social and economic objectives. Therefore Council has a policy of maintaining, together with other local authorities in the region, an equal interest (50%) in residual waste disposal activities, as major shareholder, Waste Management Canterbury Ltd.

Through a Statement of Intent, the Council and other shareholders influence the direction of the company, its objectives and its accountability settings.

Key performance targets

Objective and Strategy	**2024 Target**	**2024 Actual**
To operate a successful business, providing a fair rate of return to shareholders	Kate Valley Dividends $11.65 million	Achieved, dividend paid $12.05 million
	Total Revenue (including waste levy) of $72.02 million	Achieved ($73.94 million)
Environmental standards.	Nil consent breaches notified during the year or advised by ECan.	Achieved
Service quality	No transfer station is unable to receive waste during its normal operating hours due to Transwaste's failure to supply containers	Achieved
Health and safety	Maintain or improve current total recordable injury frequency rate for last 12 months	Achieved (nil)

Financial summary
Statement of financial performance for the year ended 30 June 2024

	2024 Actual $000	**2023 Actual $000**
Operating revenue	73,581	63,305
Operating and other expenses	53,384	41,594
Operating profit before tax	**20,197**	**21,711**
Tax (benefit)	5,655	6,079
Net profit for the year	14,542	15,632

Net profit after tax in 2023/24 was $14.5 million compared with $15.6 million in 2022/23, a decrease of $1.1 million. The Government's waste levy increased from $30 to $50 per tonne of waste to landfill resulting in an increase in both revenue collected and expense incurred of $6.9 million over the prior year's total levy. The reduction in net profit reflected a lower volume to the landfill in line with weaker economic activity.

Dividends paid to the Council shareholder $4.7 million.

Objective

Environment: Maintain and/or reduce Green House Gas Emission intensity, to use the gas captured in a socially and economically sustainable way and to generate carbon offsets via commercial and indigenous forestry.

Desired Outcomes	Performance Measures and Target	Achievement
(a) Measure Transwaste's carbon footprint.	Carbon footprint is measured and independently certified.	Achieved – 2023 certified; 2024 to be certified.
(b) Maximise capture and destruction of landfill gas from Kate Valley landfill.	Ensure the capture and destruction of in excess of 95% of landfill gas produced by Kate Valley landfill as measured by the methodology applicable for the ETS reporting period.	Achieved for the year ended 31 December 2023. The next measurement date is 31 December 2024.
(c) Reduce GHG emissions from Controlled Waste haulage	Maintain or improve average Euro emission rate of CWS fleet.	Achieved – average rose from 5.0 to 5.1
(d) To ensure the beneficial use of landfill gas to obtain the best economic value.	To increase the MWh of electricity exported from Kate Valley landfill by 50% over the three year SoI period 2024 to 2026.	Not yet achieved - sufficient generation capacity is available on site to support the target, however achieving the target remains dependent on transmission line improvements, which is under continuing investigation.
(e) Measure NZU credits on exotic forestry	Monitor and report the tonnage of carbon sequestered (measured by accrual of ETS units).	Achieved - registrations completed and related units allocated.
(f) Provide ongoing planting and growth of native trees and bush in the Tiromoana Bush area.	Monitor and report the tonnage of carbon sequestered (measured by accrual of ETS units).	On track - registrations and measurements completed to most recent Commitment Period of 31 December 2022.
(g) Report annually carbon emissions attributable to the waste received from each Territorial Local Authority area, both before and after carbon reduction initiatives.	Development and distribution of carbon emissions reporting to Territorial Local Authorities.	Not achieved - report developed, to be distributed in FY25.

Riccarton Bush Trust

www.riccartonhouse.co.nz

Riccarton Bush Trust manages a 6.4 hectare native bush remnant gifted to the people of Canterbury in 1914. The Trust manages Riccarton House and its 5.4 hectares of grounds including Deans Cottage, the first house built on the Canterbury Plains.

Riccarton Bush Trust was incorporated under a 1914 Act of Parliament, which was followed by a series of amendments, the most recent being the Riccarton Bush Amendment Act 2012. This gives the Riccarton Bush Trust the power to negotiate with the Council for funding which contributes towards the maintenance and operation of Riccarton Bush, Riccarton House and its grounds.

The Council appoints five of the eight members on the Trust Board.

Nature and scope of activities
The Trust maintains and operates Riccarton Bush, Riccarton House and its grounds.

Policies and objectives relating to ownership and control
Section 59 of the Local Government Act 2002 sets out the principal objectives of Council-controlled organisations. These objectives underpin Riccarton Bush Trust's strategic direction and activity plans including the achievement of the shareholder's commercial and non-commercial objectives.

Through a Statement of Intent, the Council agrees the strategic direction of the Riccarton Bush Trust, its objectives and measures of performance for which the Trust will be held accountable.

Key performance targets

Performance targets	2024 Target	2024 Actual
Financial performance	Operating expenses $567,000	Not achieved
Riccarton House	Inform the public and relevant interest groups about ongoing activities of the Trust	Achieved
Monitor Health and Safety practices in accordance with policy to meet the requirements of the Health and Safety at Work Act 2015	Report to each Board meeting on: Serious harm incidents 0 Accidents ≤ 1 Near misses ≤ 3	Achieved (1 accident)
Bush Enhancements – replace board walk and improve interpretation	Works completed by June 2024	Not achieved – funding still being sought.

Financial summary
Statement of financial performance for the year ended 30 June 2024

	2024 Actual $000	2023 Actual $000
Operating revenue	912	933
Operating and other expenses	953	1,103
Operating profit before tax	(41)	(170)
Tax (benefit)	-	-
Net profit for the year	(41)	(170)

The operating deficit in 2023/24 of $41,000 is lower than the deficit in 2022/23 of $170,000 by $129,000. Revenue was lower by $21,000 from lower Council operating and capital grants by $81,000 offset by increased donations of $101,000 for the Bush Enhancement Project. Costs were lower by $149,000 reflecting house painting in 2022/23 ($176,000) offset by higher operating costs of $35,000 largely due to inflationary pressure (employee and administration costs).

Sustainability

Target	Performance Measure 2023/24	Actual 2023/24	Actual 2022/23
Commit to meeting the goal of becoming net carbon neutral by 2030.	Work with Council staff to identify what is required to enable this outcome.	**In Progress** Initial meeting held Tony Moore (Principal Advisor Climate Resilience) 18 January 2024. The meeting affirmed that RBT was already operating in a "best practice' way in a number of areas. • Restoration of native forest – weed and predator control, planting activities and being a key source of seeds to support native planting throughout the city. • Waste minimisation including the mulching of lawn clippings and chipping and composting of plant material collected from the garden. • Office waste minimisation through recycling. • Energy efficiency – installed energy efficient light bulbs (LEDs) throughout the building and energy efficient heating. • Park maintenance – mulching around heritage trees to conserve water, improve tree health, enhance habitat for birds and insects, and reduce the need for mowing cutting petrol and emissions. • Using locally sourced skills and resources for maintenance. • Moving tools and equipment to electric. Current diesel utility travels fewer than 2000 kms per year. Provision in LTP for replacement electric vehicle in 2028/29 • A plan which defines and sets out what net carbon neutral means for the Trust, and how it will be achieved, will be completed by 2024/25 year end. Inter alia this plan will include what emissions are included and excluded, whether the target is for gross emissions reductions or can be met through the purchase or provision of offsets and the financial implications of such a plan. This may result in the terminology for this target changing to ensure it is transparent and clear on what the Trust is intending to achieve.	**Target Not Met** Unforeseen delays with CCC have delayed the process.

Rod Donald Banks Peninsula Trust

www.roddonaldtrust.co.nz

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

Nature and scope of activities

The Trust recognises the community as being of critical importance to the achievement of its charitable objects and focuses its efforts on engaging with groups with similar aims. The Trust acts as a facilitator, conduit and connector to assist these groups in the pursuit of common goals.

The Trust's hallmark is entrepreneurship and practical achievement, values important to Rod Donald, and it uses its funds to assist individual groups to achieve goals that they cannot otherwise achieve on their own.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of Council-controlled organisations. These objectives underpin the Trust's strategic direction and activity plans including the achievement of the shareholder's commercial and non-commercial objectives.

Through a Statement of Intent, the Council agrees the strategic direction of the Trust, its objectives and measures of performance for which the Trust will be held accountable.

Key performance targets

Performance indicator	2024 Target	2024 Actual
Meet Financial targets	Operating surplus $1.379 million	Achieved - $1.444 million
The Trust bases its projects on four key pillars - Access, Biodiversity, Knowledge, and Partnerships	Assess all potential projects brought to the Trust's attention against these four pillars to determine whether they should be added to the Trust's project list and action those that are deemed a priority	Achieved
	Make submissions on relevant policy documents in support of the pillars	Achieved
Provide leadership and tangible support for the projects achieving access.	A network of well managed walking and biking trails with long term secure public access that provide free walking and connect major communities	Achieved or in progress
Provide tangible support for biodiversity	Active support for Banks Peninsula Conservation Trust's Ecological Vision goals for protecting forest remnants, rare ecosystems and four indigenous forecast areas of more than 1000ha each.	Achieved

Financial summary

Statement of financial performance for the year ended 30 June 2024

	2024 Actual $000	2023 Actual $000
Operating revenue	1,649	104
Operating and other expenses	327	2,016
Operating profit before tax	1,322	(1,912)
Tax (benefit)	-	-
Net loss for the year	1,322	(1,912)

The Trust's operating surplus of $1.3 million is $3.2 million higher than in 2022/23. This is due to an injection of the Council's capital funding of $1.35 million and operating grant of $0.1 million in 2023/24 as well as a one-off gifting of land (Te Ahu Pātiki) in the prior year at $1.5 million.

Sustainability

Achievement Target	**Achievement**
Address the Climate and Ecological Emergency through encouraging native biodiversity to regenerate on a landscape scale, assisted by its income from carbon sequestration where possible.	ACHIEVED • Membership and support of the Banks Peninsula Native Forest/Climate Change multi-agency group. • Advocacy through submissions for improvements to the Emissions Trading Scheme to support natural regeneration and development of methods on how this could be done efficiently. • Further native planting of Rod Donald Hut open grassland area IN PROGRESS • Further native planting on land near Rod Donald Hut

Central Plains Water Trust (NOT RECEIVED)

www.cpw.org.nz

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

Resource consents were issued by the Environment Court on 25 July 2012 which allow water to be taken from the Rakaia and Waimakariri rivers for the Central Plains Water Enhancement Scheme operated by Central Plains Water Limited (CPWL).

Nature and scope of activities

To hold resource consents for the proposed Canterbury Plains Water Enhancement Scheme for the use of Central Plains Water Limited and to monitor the company's performance against them.

CPWT's obligations include reporting annually to the people of Canterbury on the Scheme's environmental, social and economic results and administering the Environmental Management Fund in the manner set out in the resource consents.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of Council-controlled organisations. These objectives underpin the Trust's strategic direction and activity plans including the achievement of the shareholder's commercial and non-commercial objectives.

Through a Statement of Intent, the Council shareholders influence the direction of the Trust, its objectives and its accountability settings.

Key performance targets

Performance indicator	2024 Target	2024 Actual
Reporting to the public on the performance of the Central Plains Water Scheme	Publish Annual Sustainability Report on website.	
Environmental targets	Ensure compliance with resource consents/water rights. Report on any non-compliance with resource consents/water rights.	
Engagement	Six monthly engagement with Selwyn District Council and Christchurch City Council.	

Financial summary

Statement of financial performance for the year ended 30 June 2024

	2024 Actual $000	2023 Actual $000
Operating revenue		
Operating and other expenses		
Operating profit before tax	-	-
Tax (benefit)	-	-
Net profit for the year	-	-

Ōtautahi Community Housing Trust

www.ocht.org.nz

The Ōtautahi Community Housing Trust (OCHT) was established by the Christchurch City to facilitate the delivery of social housing.

Nature and scope of activities

OCHT is a class 1: social landlord under the Pubic and Community Housing Management (Community Housing Provider) Regulations 2014 and Public and Community Housing Management Act 1992.

As a Community Housing Provider (CHP) for the Government in particular the Ministry of Social Development. OCHT was established to provide social and affordable rental housing through direct ownership or other means and associated rental accommodation services in Christchurch and Banks Peninsula for the relief of social housing tenants.

Key performance targets

No key performance targets exist between the Council and OCHT.

Policies and objectives relating to ownership and control

The OCHT is not a Council-controlled Organisation under the Local Government Act 2002, however does require consolidation into the Council Group under Public Benefit Entity IPSAS 35 – Consolidated Financial Statements accounting standard.

Financial summary

Statement of financial performance for the year ended 30 June 2024

	2024 Actual $000	2023 Actual $000
Operating revenue	38,108	31,913
Finance Income	354	213
Operating and other expenses	31,258	31,070
Operating profit before tax	7,204	1,056
Tax (benefit)	-	-
Net profit for the year	7,204	1,056

The Trust has a surplus for 2023/24 of $7.2 million compared with $1.1 million in 2022/23. The revenue increase of $6.2 million was from higher rental revenue of $2.6 million due to increased housing supply, increased rent charged and higher subsidies from the government and higher grants predominantly from the government for housing construction. Impairment/disposal value losses in 2022/23 further accounted for $2.2 million of the variance in profit between years. This was offset by operating cost pressures of $1.6 million and increased finance costs of $0.7 million.

Te Kaha Project Delivery Ltd

TE KAHA
PROJECT DELIVERY

Te Kaha Project Delivery Ltd (TKPDL) is wholly owned by the Council. It is the delivery company for the new Canterbury multi-use arena to be constructed by 2026.

The funding partners in the development are the Council and Crown.

Nature and scope of activities
TKPDL's mandate is to provide governance and financial control of the delivery of the Canterbury multi-use arena including planning, design, execution, monitoring and control through to practical completion.

Policies and objectives relating to ownership and control
Section 59 of the Local Government Act 2002 sets out the principal objectives of Council-controlled organisations. These objectives underpin the Trust's strategic direction and activity plans including the achievement of the shareholder's commercial and non-commercial objectives.

Through a Statement of Intent, the Council shareholders influence the direction of the Trust, its objectives and its accountability settings.

Key performance targets

Performance indicator	2024 Target	2024 Actual
Governance costs	$330,000	Achieved $266,354
Project Execution Plan (PEP)	PEP is executed for the D&C phase and compliance with PEP maintained	Achieved
Clear sustainability standards developed for the project during the D&C phase	Approve the BESIX Watpac Sustainability Performance Plan at the end of detailed design. Report against agreed project sustainability outcomes	Not achieved – due to be reviewed by the board and informed to the Council in October 2024
Baseline lag indicators are monitored to ensure safety for all	TRIFR less than 10.0 per 1,000,000 hours worked on the project	Achieved – TRIFR 5.05. Lead and lag indicators reported on monthly
Project Delivery	Project managed to budget, time and quality	Achieved

Financial summary
Statement of financial performance for the year ended 30 June 2024

	2024 Actual $000	2023 Actual $000
Operating revenue	616	623
Finance Income		-
Operating and other expenses	616	623
Operating profit before tax	-	-
Tax (benefit)	-	-
Net profit for the year	-	-

The operating costs of Te Kaha are met by the Council. The Company does not hold or recognise any assets or liabilities.

Monitoring

Monitoring

Reserves and Trust Funds

The Council maintains a number of special reserves and trust funds which have a specific purpose.

The table below shows the movement in the funds for the year to 30 June 2024:

Reserve	Activities to which the reserve relates	Balance 1 July 2023 $000	Transfers into fund $000	Transfers out of fund $000	Balance 30 June 2024 $000
Trusts and bequests					
ChCh Earthquake Mayoral Relief Fund	Bequests made for Mayoral Earthquake Relief Fund.	10	1	-	11
Housing Trusts & bequests	Various bequests made for the provision of Social Housing.	102	5	-	107
Cemetery bequests	Various bequests made for the maintenance of cemeteries.	73	4	-	77
CS Thomas Trust - Mona Vale	Funds set aside for restoration work at Mona Vale.	41	2	-	43
Woolston Park Amateur Swim Club (WPASC)	Scholarship programme including an Annual Talented Swimmer Scholarship and an Annual Potential Swimmer Scholarship utilising the former Woolston Park Amateur Swimming Club monies gifted to the Council.	12	1	-	13
Parklands Tennis Club	Residual funds passed to the Council from the windup of the Parklands Tennis Club.	20	1	-	21
19th Battalion Bequest	Funds passed to the Council by the 19th Battalion and Armoured Regiment to help fund the maintenance of the 19th Battalion and Armoured Regiment Memorial area.	18	1	-	19
Yaldhurst Hall Crawford Memorial	Funds left by Mr Crawford for capital improvements to the Hall.	11	1	-	12
Sign of Kiwi Restoration Fund	Funds set aside for restoration work at the Sign of the Kiwi.	4	-	-	4
Fendalton Library Equipment Bequest	Bequest made to fund equipment at the Fendalton Library.	3	-	-	3
W A Sutton Art Gallery Bequest	Bill Sutton's bequest that any proceeds and benefits from copyright fees that might be charged be utilised for the acquisition and advancement of Canterbury Art.	1	-	-	1
Akaroa Community Health Trust	A grant to assist the Akaroa Community Health Trust in meeting a funding commitment to the Canterbury District Health Board for the new Akaroa Community Health Centre.	855	(817)	-	38
Mayor's Welfare Fund	Bequests made for Mayor's Welfare Fund intended to provide assistance to families and individuals in the community who are in extreme financial distress.	1,262		(1,262)	-
Sub-total trusts and bequests		**2,412**	**(801)**	**(1,262)**	**349**
Special Funds & Reserves					
Capital Endowment Fund	Fund that generates an ongoing income stream which is applied to economic development and civic and community projects.	105,099	4,793	(3,587)	106,305
Housing Development Fund	A fund used for funding the Council's Social Housing activity.	993	16,354	(14,259)	3,088
Wairewa Reserve 3185	To enable drainage works relative to Lake Forsyth.	132	7	-	139

Reserve	Activities to which the reserve relates	Balance 1 July 2023 $000	Transfers into fund $000	Transfers out of fund $000	Balance 30 June 2024 $000
Wairewa Reserve 3586	To enable drainage of Lake Forsyth into the sea in times of flood.	44	2	(1)	45
Development & Financial Contributions - Reserves	Development and financial contributions held for growth related capital expenditure.	58,732	3,613	(18,306)	44,039
Development & Financial Contributions - Leisure	Development and financial contributions held for growth related capital expenditure.	(25)	5,975	(5,951)	(1)
Development & Financial Contributions - Roading	Development and financial contributions held for growth related capital expenditure.	7,000	8,727	(7,971)	7,756
Development & Financial Contributions - Water supply	Development and financial contributions held for growth related capital expenditure.	8,132	4,804	(1,256)	11,680
Development & Financial Contributions - Waste water	Development and financial contributions held for growth related capital expenditure.	17,746	11,117	(6,974)	21,889
Development & Financial Contributions - Storm water	Development and financial contributions held for growth related capital expenditure.	1,016	4,991	(4,798)	1,209
Development & Financial Contributions - Libraries	Development and financial contributions held for growth related capital expenditure.	24	(3,782)	3,758	-
Development & Financial Contributions - Cemeteries	Development and financial contributions held for growth related capital expenditure.	1	(291)	291	1
Flood Protection Fund	Funds set aside for flood protection works.	825	45	-	870
Historic Buildings Fund	To provide for the purchase by Council of listed heritage buildings threatened with demolition, with the intention of reselling the building with a heritage covenant attached.	1,290	1	-	1,291
Community Loans Fund	Fund used to help community organisations carry out capital projects by lending funds at low interest rates.	3,156	189	-	3,345
Dog Control Account	Statutory requirement to set aside any Dog Control surpluses.	2,526	3,014	(2,882)	2,658
Non Conforming Uses Fund	To enable Council to purchase properties containing non-conforming uses causing nuisance to surrounding residential areas and inhibiting investment and redevelopment for residential purposes.	1,879	102	-	1,981
QEII sale proceeds	For investment in initiatives that promote the most appropriate and productive use of remaining Council land on QEII site.	2,439	-	(251)	2,188
Conferences Bridging Loan Fund	To provide bridging finance to organisers to allow them to promote, market and prepare initial requirements for major events and conferences, repaid by first call on registrations.	510	-	-	510
Cash in Lieu of parking	To hold contributions from property developers in lieu of providing parking spaces. Used to develop parking facilities.	673	36	-	709
Loan Repayment Reserve	Fund used for facilitating repayment of rate funded loans.	-	59,568	(59,568)	-
Sandilands Contaminated Sites Remediation	Fund used for remediation work at Social Housing sites.	254	-	-	254
Businesscare - Commercial Waste Minimisation	Fund used for investments in initiatives that assist in the achievement of the Council's goal of zero waste to landfill.	68	-	-	68
Burwood Landfill Cell A Remediation	Fund used for investments in initiatives that assist in the achievement of the Council's goal of zero waste to landfill.	576	31	-	607
Bertelsman Prize	Fund for the provision of in-house training programmes for elected members and staff which have an emphasis on improving excellence within the Council.	20	-	-	20

Reserve	Activities to which the reserve relates	Balance 1 July 2023 $000	Transfers into fund $000	Transfers out of fund $000	Balance 30 June 2024 $000
WD Community Awards Fund	To provide an annual income for assisting in the study, research, or skill development of residents of the former Waimairi District (within criteria related to the Award).	24	1	-	25
Duvauchelle Res Mgmt Committee	To enable maintenance and improvements at public reserves in Duvauchelle	163	396	(403)	156
Okains Bay Res Mgmt Committee	To enable maintenance and improvements at public reserves in Okains Bay	586	432	(389)	629
Taylors Mistake, Boulder Bay & Hobsons Bay	Rent received from the licensing of the baches to provide for amenity, environmental and heritage enhancements in the local area.	106	72	(8)	170
Cathedral Restoration Grant	A grant of $10 million (spread over the period of the reinstatement) towards the capital cost of reinstatement, to be made available once other sources of Crown and Church funding have been applied to the reinstatement project. Any interest will be available for other heritage projects.	5,348	1,393	(3,000)	3,741
Weather Event Fund	Fund established for costs of future weather events.	700	400	-	1,100
Miscellaneous reserves	Minor or obsolete reserves.	30	-	-	30
Sub-total special funds and reserves		**220,067**	**121,990**	**(125,555)**	**216,501**
TOTAL RESERVE FUNDS		**222,479**	**121,189**	**(126,817)**	**216,850**

Monitoring

The capital endowment fund

The Council established this fund to provide an ongoing income stream to be used for economic development and innovation, community, and environment projects.

The investment objectives of the fund were met during 2023/24. All funds were held as cash investments during the year. This approach was consistent with the objectives outlined in Council's Investment Policy.

	2024 Actual $000	2023 Actual $000
Fund capital at 1 July	103,987	103,987
Less distributed	-	-
Revaluation adjustment	-	-
Fund capital at 30 June 2024	**103,987**	**103,987**
Unspent funds at 1 July	1,112	1,053
Plus income received by the fund	4,793	3,801
Less distributed	(3,587)	(3,742)
Returned funds	-	-
Unspent income at 30 June 2024	**2,318**	**1,112**
Total Capital Endowment Fund balance at 30 June 2024	**106,305**	**105,099**
Distribution details		
Income distributions		
Economic Development and Innovation	1,539	1,539
Community	2,048	2,203
	3,587	**3,742**

Monitoring
Subsidiary and associate companies

Listed below are the trading enterprises in which the Council has an interest, together with the directors of the trading enterprises, for the period ended 30 June 2024.

Christchurch City Holdings Ltd (100% owned)
Wynton Cox[i] Bridget Giesen[ii]
Bryan Pearson[iii] Sara Templeton (Cr)[iv] Sam
Macdonald (Cr) [v]

Enable Services Ltd (100% owned)
Justin Murray Mark Petrie
Geoff Lawrie Keiran Horne[vi]
Debra Blackett[vii]
Carolyn Luey[viii]

Christchurch International Airport Ltd (75% owned)
Andrew Barlass[ix] Edward Sims
Kathryn Mitchell Sarah Ottrey
Christopher Paulsen Paul Reid[x]

City Care Ltd (100% owned)
Bryan Jamison William Bayfield[xi]
Elena Trout Mark Todd
Jacqueline Colliar[xii] Alison Posa[xiii]

Lyttelton Port Company Ltd (100% owned)
Barry Bragg[xiv] Nicola Crauford[xv]
Vanessa Doig[xvi] William Dwyer
Nicholas Easy Julian Hughes[xvii]
Karen Jordan[xviii]

Orion New Zealand Ltd (89.3% owned)
Jennifer Crawford Sally Farrier
Jason McDonald Paul Munro
Michael Sang Vena Crawley

Te Kaha Project Delivery Ltd (100% owned)
Barry Bragg Wynton Cox
Jane Huria Richard Peebles Stephen
Reindler

RBL Property Ltd formerly Red Bus Ltd (100% owned)
Paul Silk[xix] Anthony King[xx]

Development Christchurch Ltd (100% owned)
Paul Silk

ChristchurchNZ Holdings Ltd (100% owned)
Dona Arseneau Stephen Barclay
Paul Bingham Jennifer Crawford[xxi]
Victoria Henstock (Cr)[xxii] Jake Mclellan-Dowling (Cr)[xxiii]
Lauren Quaintance[xxiv] Toby Selman[xxv]

Venues Ōtautahi Ltd(100% owned)
Wynton Cox Brent Ford
Susan Goodfellow Tim Scandrett (Cr)[xxvi]
Kelly Barber (Cr)[xxvii]

Civic Building Ltd (100% owned)
James Gough (Cr) Sam MacDonald (Cr)
Jake Mclellan-Dowling (Cr)[xxviii]

EcoCentral Ltd (100% owned)
Mark Christensen Sinead Horgan
Mark Jordan Benjamin Reed

Transwaste Canterbury Ltd (38.9% owned)
Wynton Cox Gareth James
Ian Kennedy Hans Maehl
Grant Miller Thomas Nickels
Ross Pickworth James Gough (Cr)[xxix]

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[i] Appointed 22 March 2023
[ii] Appointed 26 April 2023
[iii] Appointed 30 May 2024
[iv] Reappointed 01 February 2023
[v] Appointed 01 February 2023
[vi] Appointed 25 January 2023
[vii] Appointed 13 December 2023
[viii] Appointed 17 October 2023
[ix] Reappointed 7 June 2024
[x] Reappointed 7 June 2024
[xi] Appointed 27 October 2023
[xii] Appointed 27 October 2023
[xiii] Appointed 27 October 2023
[xiv] Appointed 26 April 2023
[xv] Appointed 19 June 2023
[xvi] Appointed 01 January 2023
[xvii] Appointed 19 June 2023
[xviii] Appointed 01 August 2023
[xix] Appointed 08 February 2023
[xx] Appointed 1 January 2021
[xxi] Appointed 15 January 2023
[xxii] Appointed 22 March 2023
[xxiii] Appointed 22 March 2023
[xxiv] Appointed 15 January 2023
[xxv] Appointed 15 January 2023
[xxvi] Reappointed 22 March 2023
[xxvii] Appointed 22 March 2023
[xxviii] Appointed 22 March 2023
[xxix] Appointed 24 February 2023

Glossary

Glossary

BCA	Building Consent Authority
BRRP	Burwood Resource Recovery Park
CAfE	Christchurch Agency for Energy Trust
CBD	Central Business District
CBL	Civic Building Limited
CCBJV	Christchurch Civic Building Joint Venture
CCDU	Christchurch Central Development Unit
CCHL	Christchurch City Holdings Limited
CCOs	Council Controlled Organisations
CCT	Christchurch and Canterbury Tourism
CCTOs	Council Controlled Trading Organisations
CDC	Canterbury Development Corporation
CDCH	Canterbury Development Corporation Holdings Limited
CDEM	Civil Defence Emergency Management
CGU	Cash Generating Unit
CIAL	Christchurch International Airport Limited
City Care	City Care Limited
Council	Christchurch City Council
Cr	Councillor
CWTP	Christchurch Wastewater Treatment Plant
DEE	Detailed engineering evaluations
ECE	Early childhood education
ECL	Expected credit loss
EcoCentral	EcoCentral Limited
ENL	Enable Networks Limited
EOC	Emergency operations centre
EQ	Earthquake
ESL	Enable Services Limited
Exchange revenue	Revenue from providing goods and services to another entity and directly receiving approximately equal value in exchange
FAP	Financial assistance package
FIT	Free Independent Traveller
FDA	Financial delegation authority
Group	As outlined in Group Structure section of the Annual Report
IM&CT	Information Management and Communications Technology
IPSAS	International Public Sector Accounting Standards
ISP	Internal service providers
JESP	Justice and Emergency Services Precinct
LGFA	New Zealand Local Government Funding Agency Limited
LDRP	Land Drainage Recovery Programme
LIMs	Land Information Memorandums
LIU	Libraries and Information Unit
LOS	Level of service
LPC	Lyttelton Port Company Limited
LTP	Long Term Plan
LURP	Land Use Recovery Plan
MBIE	Ministry of Business, Innovation and Employment
MKT	Mahaanui Kurataiao Limited
MOU	Memorandum of Understanding
NABERSNZ	National Australian Built Environment Rating System New Zealand
NBS	New building standard
Non exchange revenue	Revenue from transactions that are not exchange transactions
NPS	National policy statement
NRFA	National Rural Fire Authority
NTPL	Ngāi Tahu Property Limited
NZFS	New Zealand Fire Service

NZ GAAP	General accepted accounting practice in New Zealand
NZ IAS	New Zealand equivalent to International Accounting Standard
NZ IFRS	New Zealand equivalents to International Financial Reporting Standards
NZLGIC	New Zealand Local Government Insurance Corporation
NZTA	New Zealand Transport Agency
NZTE	New Zealand Trade and Enterprise
NZX	New Zealand Stock Exchange
OCHT	Ōtautahi Community Housing Trust
Orion	Orion New Zealand Limited
PBE	Public benefit entity
PIM	Project Information Memorandum
Plan	Annual Plan
PRFO	Principal Rural Fire Officer
PVL	Powerhouse Ventures Limited
Red Bus	Red Bus Limited
RFID	Radio frequency identification
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SOI	Statement of Intent
Transpower	Transpower New Zealand Limited
Transwaste	Transwaste Canterbury Limited
Te Kaha	One New Zealand Stadium at Te Kaha
UDS	Urban Development Strategy
UFB	Ultra-fast broadband
VO	Venues Otautahi Limited
Vested assets	Assets received by Council for no consideration
WHRS	Weathertight Homes Resolution Services
WIP	Work in progress
WINZ	Water Information New Zealand

Definition of Terms used for the Financial Prudence Benchmarks[1]

Net debt	Total financial liabilities less financial assets (excluding trade and other receivables).
Total revenue	Total cash operating revenue excluding development contributions and non government capital contributions.
Annual rates income	Total rates income (including targeted water supply rates) less rates remissions.
Net interest	The difference between interest income and interest expense recognised by the Council in its financial statements.
Quantified limit	The limit on rates, rates increases, or borrowing for a year that is included in Council's financial strategy.

[1] The definition set-out in this section and as used in the relevant sections of this Annual Report is based on the Local Government (Financial Reporting and Prudence) Regulations 2014.

Christchurch
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