Audit and Risk Committee

Agenda

Tuesday 26 March 2019

3.30pm

Waimakariri District Council Chambers
215 High Street
Rangiora

Members:

Councillor Neville Atkinson (Chairperson)
Councillor Kirstyn Barnett
Councillor Al Blackie
Deputy Mayor Kevin Felstead
Councillor Paul Williams
Mayor David Ayers (ex officio)
The Chairman and Members

AUDIT AND RISK COMMITTEE

A Meeting of the AUDIT AND RISK COMMITTEE will be held in the WAIMAKARIRI DISTRICT COUNCIL CHAMBERS, 215 HIGH STREET, RANGIORA on TUESDAY 26 MARCH 2019 at 3.30PM.

Adrienne Smith
GOVERNANCE COORDINATOR

Recommendations in reports are not to be construed as Council policy until adopted by the Council

BUSINESS

1 APOLOGIES

2 CONFLICTS OF INTEREST

Conflicts of interest (if any) to be reported for minuting.

3 CONFIRMATION OF MINUTES

3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 12 February 2019

RECOMMENDATION

THAT the Audit Committee

(a) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held on the 12 February 2019, as a true and accurate record.

4 MATTERS ARISING

5 PRESENTATION/DEPUTATION

5.1 Miles O'Connor, Bancorp Treasury

Miles O'Connor from Bancorp Treasury will be attending to speak on the Councils Treasury Policy and Standard and Poors.
6 REPORTS

6.1 Enterprise North Canterbury Half Year Report to December 2018, Promotion of the Waimakariri District Business Plan Report to December 2018 and Draft Statement of Intent beginning 1 July 2019 – Simon Markham (Manager Strategy and Engagement)

RECOMMENDATION

THAT the Audit and Risk Committee

(a) Receives report No 190225021990.
(b) Receives the ENC Half Year Report to December 2018;
(c) Receives the Promotion of the Waimakariri District Business Plan Report to December 2018;
(d) Receives the Draft Statement of Intent beginning 1 July 2019;
(e) Provides any comment it may wish to make on the Draft Statement of Intent beginning 1 July 2019.
(f) Acknowledges the work carried out by Enterprise North Canterbury and thanks the Trustees and staff for their efforts;
(g) Circulates the report to the Boards.

6.2 Te Kōhaka ò Tuhaitara Trust - Six month Financial Statements for the period ended 31 December 2018 – Jeff Millward (Manager Finance and Business Support)

RECOMMENDATION

THAT the Audit and Risk Committee

(a) Receives report No.190314034122
(b) Receives the Six Month Report for the Te Kōhaka o Tūhaitara Trust for the period ended 31 December 2018;
(c) Notes the operations for the six months to 31 December progressing as planned and within budget.

6.3 Te Kōhaka ò Tuhaitara Trust – Statement of Intent for the Year ending 30 June 2020 – Jeff Millward (Manager Finance and Business Support)

RECOMMENDATION

THAT the Audit and Risk Committee

(a) Receives report N° 190311031096.
(b) Receives the Statement of Intent for Te Kōhaka o Tuhaitara Trust for the year ending 30 June 2020.
(c) Notes that under the Local Government Act 2002, the Audit and Risk Committee may request Te Kōhaka o Tuhaitara Trust to make changes to the Statement of Intent. Te Kōhaka o Tuhaitara Trust would consider these changes requested and re-present the Statement of Intent prior to the 30 June.
6.4  **Cyber Security Quarterly Status Report – Jolanda Simon (CIO) and David Sewell (ICT Team Leader)**

**RECOMMENDATION**

THAT the Audit and Risk Committee

(a)  **Receives** report no. 190226022048

(b)  **Notes** progress of the work programme is on target and within budget.

(c)  **Notes** Council is sourcing appropriate Cyber Security insurance with cyber insurance to be tendered and in place before 25 June 2019.

7  **PORTFOLIO UPDATES**

7.1  **Audit, Risk, Long Term Plan and Excellence Programme – Deputy Mayor Kevin Felstead**

7.2  **Communications – Councillor Neville Atkinson**

8  **QUESTIONS**

9  **URGENT GENERAL BUSINESS**

10  **MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED**

*Section 48, Local Government Official Information and Meetings Act 1987*

**RECOMMENDATION**

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

<table>
<thead>
<tr>
<th>Item No</th>
<th>Minutes/Report of:</th>
<th>General subject of each matter to be considered</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>Minutes of the Public Excluded portion of the Audit and Risk Committee meeting of 12 February 2019</td>
<td>Confirmation of Minutes</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
</tbody>
</table>

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:
<table>
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<th>Item No</th>
<th>Reason for protection of interests</th>
<th>Ref NZS 9202:2003 Appendix A</th>
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</thead>
</table>
| 10.1    | Protection of privacy of natural persons  
To carry out commercial activities without prejudice | A2(a)  
A2(b)ii |

**CLOSED MEETING**

See In Committee Agenda (blue papers)

**OPEN MEETING**

**WORKSHOP**

At the conclusion of the meeting, Simon Markham will conduct a workshop to discuss Event Underwriting Report Back.
1 APOLOGIES

There were no apologies.

2 CONFLICTS OF INTEREST

There were no conflicts of interest noted.

3 CONFIRMATION OF MINUTES

3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 20 November 2018

Moved Deputy Mayor Felstead seconded Councillor Blackie

THAT the Audit Committee

(a) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held on the 20 November 2018, as a true and accurate record.

CARRIED

4 MATTERS ARISING

There were no matters arising.

5 PRESENTATION/DEPUTATION

There were no presentations or deputations.
6 REPORTS

6.1 Audit New Zealand Management Report for the year ended 30 June 2018 – Jeff Millward (Manager Finance and Business Support)

J Millward presented this report and the Audit New Zealand Management Report for the year ended 30 June 2018. The Auditor identified three areas for improvement in the annual report –

Vested assets – improvements in the processes suggested in recognising vested assets that come to the Council. This will be incorporated into the improvements to the Strategic Asset management System that is being developed. The process will require a Project Manager to be appointed for each of the projects and assets that are accepted into the system.

Development contributions – this has been brought to the Council in a separate report. J Millward noted that there has been changes in processes since the Auditors Report and more staff are able to get alerts and reports on developments that occur now.

Harvesting of Council forests. J Millward advised the processes have been reviewed and assessments will be done in future advising how much capital has been removed or added to the Council.

There were some other quite minor issues that have been dealt with and Mr Millward considers this was a good Audit Management Report.

Moved Councillor Barnett seconded Deputy Mayor Felstead

THAT the Audit and Risk Committee

(a) Receives report No. 190111002184
(b) Receives Audit New Zealand’s Management Report for the year ending 30 June 2018;
(c) Notes there are no significant matters arising from the management letter. Audit New Zealand have made a number of recommendations where systems could be improved and these improvements have been made or are programmed to be completed.

CARRIED

6.2 Non-Financial Performance Measures 2nd Quarter Results as at 31 December 2018 – Helene Street (Corporate Planner)

H Street presented this report which provides an update on the Long Term Plan non-financial performance measures for the second quarter of the 2018/2019 financial year. There was a marked improvement compared to the same period last year and good explanations for any matters that haven’t met target.

Councillor Barnett asked about monitoring on wastewater and drainage and issues with customer service. What happens when there is requests/complaints that involve matters with shared responsibility of both this Council and with Environment Canterbury?. G Cleary noted that if there is anything that is a service request relating to roading and 3 Waters Team Leaders in the respective departments are managing these requests, which are followed up and if it is appropriate, these are directed to the agency concerned. It was confirmed that if a request is handed over to another
agency, the customer is advised and the matter closed off appropriately with the Council.

Moved Councillor Barnett seconded Councillor Williams

THAT the Audit and Risk Committee

(a) Receives the report Non-Financial Performance Measure 2nd Quarter Results as at 31 December 2018, TRIM No. 190123006733

CARRIED

Councillor Barnett commented on the favourable results and the improvements in percentages. Also noted the reporting is easy to follow and it is pleasing to see improved results in areas where resources have been directed.

6.3 Results of WorkSafe SafePlus Online Assessment Questionnaire – Charlotte Browne (Health, Safety and Quality Manager)

C Browne presented this report which provides results of the organisation-wide WorkSafe SafePlus Online Assessment questionnaire which was completed by WDC in December 2018. Councillors who completed the assessment were thanked for doing so and any comments made. This questionnaire confirmed that the council is at a ‘performing’ level which is the median performance level for any organisation participating in the programme. There was a relatively high participation rate of 245 out of 413 requests, which was pleasing. Specific results highlighted were that 81% of staff either strongly agreed or agreed with the statements regarding the effectiveness of Health and Safety Leadership within WDC; 70% of staff either strongly agreed or agreed with the statements regarding the effectiveness of Health and Safety Worker Engagement within WDC; and 84% of staff either strongly agreed or agreed with the statements regarding the effectiveness of Health and Safety Risk Management within WDC. Staff also provided feedback to WorkSafe on how they can improve their Questionnaire in future.

Moved Deputy Mayor Felstead seconded Councillor Atkinson

THAT the Audit and Risk Committee

(a) Receives report No. 190109001638.
(b) Notes the results of the WorkSafe SafePlus Online Assessment for 2018 (Level = Performing)
(c) Notes the future emphasis that will be placed on Worker Engagement and three key risk areas
(d) Notes the Online Assessment data moderation process and associated feedback to WorkSafe regarding questionnaire design

CARRIED
6.4 **Financial Report for the period ended 31 December 2018 – Paul Christensen (Finance Manager)**

P Christensen presented this report and the financial result for the quarter ended 31 December 2018. Three key financial indicators:

- Surplus was $6.2 million against the budget of $2.8 million – this is mainly as a result of revenue being larger than expected - $1.1 million from forestry revenue and $3.5 million from development contributions revenue.
- Debt is still at $145 million, which is the same as at the end of the last quarter.
- Capital Expenditure is $31 million which is 30% of the full year budget.

Following a question from Councillor Barnett on the liquidity ratio, P Christensen and J Millward provided an explanation.

Moved Councillor Barnett seconded Councillor Blackie

THAT the Audit and Risk Committee

(a) Receives report No. 190128008390.
(b) Notes that progress is tracking favourably in comparison to budget.

CARRIED

6.5 **Capital Projects Report for the period ended 31 December 2018 – Paul Christensen (Finance Manager), Kalley Simpson (3 Waters Manager) and Chris Brown (Manager Community and Recreation)**

Presenting this report were P Christensen, C Brown (Manager Community and Recreation), G Cleary (Manager Utilities and Roading) and K Simpson (3 Waters Manager).

G Cleary noted that it is the intention of both himself and C Brown to be present at future Audit and Risk Committee meetings to keep the Committee informed on the delivery of the capital works programme.

P Christensen advised that as at the end of December $31.1 million of the capital works programme has been spent, which is 36% of the full year revised budget. At this time also, 318 of the 341 projects are expected to be completed, though 47 of this completed figure have been identified “at risk” of being completed for various reasons.

At this time K Simpson provided an overview of the information in the report on capital projects progress, including those on time, those programmes at risk, and those behind programme for each of the Councils activities. There was also explanation given on the additional information being provided as part of this report on projects.

Councillor Atkinson asked if further information could be available to the Council on the “at risk” portion of projects. K Simpson advised that there is a summary of the risk provided in this reporting, which indicates if a project is “on programme”, or if it is “programme at risk” meaning there is a risk it will go to carry over at the end of the year, or a project being “behind programme” means it is already anticipated to be a carry over. Currently the details of the risk for projects is being analysed at a staff management level. Councillor Atkinson asked if this level of risk could be available in the reporting and this...
would be advantageous to be available to the Council. This would provide some reassurance if this is a low risk or otherwise. G Cleary noted the comments beside each of the projects noted as “project at risk” do provide some detail to the Council and questioned whether there would be any benefit in providing more detail than this. C Brown noted that for each of the projects that are “at risk” in the Recreation activities, the comments section should identify exactly why that project has been put “at risk”.

Councillor Gordon asked if the information available on carry overs that is provided to Standard and Poors is going to be satisfactory for them and meet what they are looking for and will be understood clearly. J Millward noted that this information is just one of eight items that will be given to Standard and Poors for them to understand the capital programme; they will also be given a capital comparison to the LTP to show that there has been no increase in capital, showing the loan profile, treasurer report from Bancorp which will state the Council is in a good position relating to other Councils, and also show the forecasting capital spend going out to future years. They will also receive a liquidity ratio to determine if the Council is in a good position or bad which is much improved. Standard and Poors will also have good discussion with the Mayor and Chief Executive to determine their views. All this information is providing them what they are looking for.

G Cleary said that what staff have tried to achieve is to give the Council a broad view of how projects are tracking across the entire organisation and also to then allow a view of any of the services separately to get a broad view there. It is also then possible to have a look on a project by project basis. There is also more work being undertaken to be able to include the effects of seasonality in capital projects. This information is a really useful tool for staff as well to keep track on projects.

Councillor Stewart asked is there a large amount of resource required to provide this additional information? K Simpson said there has been a change in how the information from managers is tracked. This is done through the Asset Management system.

Councillor Barnett suggested that information could be included in the recommendation on the predicted money that would be spent on the expected total capital spend for the financial year. J Millward said it would be appropriate to show projects that may not be completed and this information could be provided.

Mayor Ayers noted there is always projects which are partially completed. A project can be underway but may not be completed. Regarding accuracy of reporting, for multi-year projects listed as carryovers, it was advised that the Council is obligated to carry this budget over in its entirety for accounting purposes because the item is still not being used. It was agreed these could be identified separately also.

Moved Councillor Atkinson seconded Councillor Blackie

**THAT** the Audit and Risk Committee

(a) **Receives** report No. 190128008548.
(b) **Notes** that staff are to add further refinements to the information provided in future reports.
(c) **Notes** that progress of the capital projects with $31.1 million (36%) of the full year revised budget spent.
(d) Notes that 318 (93%) of the 341 projects are expected to be completed or on time this financial year

(e) Circulates the report to the Boards

CARRIED

Councillor Atkinson noted there will be benefits of the refinements that have been discussed today. It is important that this is also a tool for staff to use. It is the responsibility of this committee to continue refining this information and this can come through suggestions from both the staff and from the committee.

Councillor Blackie agreed that this is a living document.

Councillor Barnett said it is important that information is available in the summary and the area of carryovers is a difficult but important area. Councillor Barnett would like staff to give the committee the overall picture in the report and back it up with the data.

7 PORTFOLIO UPDATES

7.1 Audit, Risk, Long Term Plan and Excellence Programme – Deputy Mayor Kevin Felstead

Deputy Mayor Felstead advised that the Annual Plan process is currently on track and this will come to Council at the next Council meeting on 19 February.

7.2 Communications – Councillor Neville Atkinson

The Communications department is now fully staffed. Staff are reviewing strategies and looking at the marketing tools currently being used.

8 QUESTIONS

There were no questions.

9 URGENT GENERAL BUSINESS

There was no urgent general business.

10 MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED

Section 48, Local Government Official Information and Meetings Act 1987

Moved Councillor Atkinson seconded Councillor Blackie

THAT the public be excluded from the following parts of the proceedings of this meeting.

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<td>Report of Scott Morrow (Rates Officer Land Information)</td>
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<td>A2(a) A2(b)ii</td>
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<td></td>
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</tbody>
</table>

CARRIED

**CLOSED MEETING**

**Resolution to resume in Open Meeting**

Moved Councillor Atkinson seconded Councillor Barnett

THAT the open meeting resumes and the business discussed and recommendations with the public excluded remains public excluded.

CARRIED

**OPEN MEETING**

There being no further business, the meeting closed a 5.20pm.

CONFIRMED

_______________________
Chairperson

_______________________
Date
1. SUMMARY
1.1. The purpose of this report is to present the Enterprise North Canterbury Half Year Report to December 2018, Promotion of the Waimakariri District Business Plan Report to December 2018 and Draft Statement of Intent beginning 1 July 2019.
1.2. Heather Warwick (Chief Executive) from Enterprise North Canterbury will be in attendance at the meeting to speak to the report and update the Audit & Risk Committee on recent activities.

Attachments:
- Enterprise North Canterbury’s Half Year Report to December 2018 (Trim 190225021999).
- Enterprise North Canterbury’s Promotion of the Waimakariri District Business to December 2018 (Trim 190225021996)
- Enterprise North Canterbury’s Draft Statement of Intent beginning 1 July 2019 (Trim 190225022004)

2. RECOMMENDATION
THAT the Audit and Risk committee:
(a) Receives report No 190225021990.
(b) Receives the ENC Half Year Report to December 2018;
(c) Receives the Promotion of the Waimakariri District Business Plan Report to December 2018;
(d) Receives the Draft Statement of Intent beginning 1 July 2019;
(e) Provides any comment it may wish to make on the Draft Statement of Intent beginning 1 July 2019.
(f) Acknowledges the work carried out by Enterprise North Canterbury and thanks the Trustees and staff for their efforts;
(g) Circulates the report to the Boards.

3. BACKGROUND
3.1. Enterprise North Canterbury is a Council Controlled Organisation (CCO), where the Trustees are appointed by the Waimakariri and Hurunui District Councils.
3.2. The Trust was registered in August 2002 to provide promotional and economic development services on behalf of the Waimakariri and Hurunui District Councils and promote the region as a visitor destination.

3.3. The Trust is a not-for-profit organisation. A significant amount of funding comes from grants and sponsorship to fund the activities undertaken.

3.4. As an economic development agency, ENC seeks to improve the region’s investment and business-enabling environment so enhancing the region’s competitiveness, retaining and increasing jobs, improving incomes, enhancing economic well-being thus improving the quality of life of residents.

4. **ISSUES AND OPTIONS**

**Half Year Report to December 2018**

4.1. The Half Year Report, on overall operations to December 2018, includes a profit and loss analysis to December 2018, see Appendix 1. The report was approved by the ENC Board on 13 February 2019.

4.2. YTD Income is $24k below budget with key variances due to timing: MCBA awards, Event Income, Kaiapoi I-Site and Admin Costs. YTD Expenses are $77k down with key variances including Business Attraction Admin, Events down due to timing and Admin Expenses down.

4.3. New sponsors for the Business Centre, networking functions and North Canterbury Business Awards were secured.

4.4. Two new Trustees also joined the Board replacing a resignation and end of three year term.

**Promotion of Waimakariri District Business Plan Report to 31 December 2018**

4.5. ENC in its business promotion activities propose to continue to act as a first point of contact for new business enquiries, working with existing developers and Council to enable them to achieve tenants for new developments, and to promote the district as a diverse and dynamic business community.

4.6. ENC are proud of their commitment to showcasing and promoting the opportunities of the Waimakariri District to visitors, businesses and local residents and are pleased with the results being achieved in promoting the District in the first six months of the year.

**Statement of Intent 1 July 2019**

4.7. The SOI was prepared by ENC and approved by its Board on 13 February 2019.
4.8. The Statement of Intent is required under the Local Government Act to set out the goal and objectives for ENC for the next three years – this document is subject to prior consideration by Councils and review by Audit NZ at each year’s end.

4.9. The Management team have reviewed this report and supports the recommendations.

5. COMMUNITY VIEWS

5.1. Groups and Organisations
Ongoing dialogue that ENC has with the local business sector and visitor industry assisted with the preparation of the Statement of Intent and the District Promotions Business Plan that has been reported on.

5.2. Wider Community
Each year ENC’s Annual Report is audited by Audit New Zealand.
As part of the District Development 2016 Survey, satisfaction with encouraging business activity has increased to 66% and this is the highest recorded satisfaction level since 2004. This indicates that ‘encouraging business activity’ has become a greater issue for more respondents as more households have an opinion on the matter.

6. IMPLICATIONS AND RISKS

6.1. Financial Implications
Under section 65 of the Local Government Act, the Council must regularly undertake performance monitoring of council organisations to evaluate their contributions to the:
- council’s objectives for the organisation;
- desired results set out in the organisation’s statement of intent; and
- overall aims and outcomes of the local authority.

Delegation S-DM 1022 provides that the Audit & Risk Committee has the jurisdiction to “Monitor performance of the Council-Controlled organisations on a six monthly basis”.

6.2. Community Implications
Among other advantages, supporting and enabling the growth in the local economy; visitor industry partnering and promotions; and, attracting new business to the district through ENC programmes have benefits in increased local business sector strength, more local jobs, retained retail expenditure and increased town centre vitality.

6.3. Risk Management
The ENC Board meets regularly to oversee implementation of agreed plans and programmes in accordance with the accountability requirements of ENC being a CCO. ENC formally reports to the Council at six monthly intervals, and meets regularly with WDC staff to monitor progress and address any issues that arise.

6.4. Health and Safety
ENC operates at arm’s length from the WDC and manages its own health and safety programme.

7. CONTEXT

7.1. Policy
This matter is not a matter of significance in terms of the Council’s Significance and Engagement Policy.

7.2. **Legislation**

Local Government Act S.10 Purpose of Local Government and Part 5 Council-controlled organisations and council organisations

7.3. **Community Outcomes**

*Businesses in the District are diverse, adaptable and growing*
- There are growing numbers of businesses and employment opportunities in our District.
- There are sufficient and appropriate places where businesses are able to set up in our District.

*The distinctive character of our takiwā - towns, villages and rural areas is maintained*
- The centres of our towns are safe, convenient and attractive places to visit and do business.
- Our rural areas retain their amenity and character.

7.4. **Delegations**

Delegation S-DM 1022 provides for delegated authority to the Audit and Risk Committee to monitor the performance of Council Controlled organisations and to review and provide comments on draft Statements of Intent.
December 2018 Half Year Report to Waimakariri & Hurunui District Councils

1. **Introduction**

This report has been prepared to meet the reporting requirements of the Statement of Intent for the 2018/19 year and follows the format of the Annual Business Plan.

2. **Nature and Scope of Activities**

The vision of ENC is:

> “To inspire, attract and retain individuals, businesses and social enterprise to invest in our region”

As an economic development agency, ENC seeks to improve the region's investment and business-enabling environment so enhancing the region's competitiveness, retaining and increasing jobs, improving incomes, enhancing economic well-being, and thus improving the quality of life of residents.

3. **Activity Report**

**GOAL ONE  Supporting existing businesses to grow and prosper**

**Objective 1.1 Support existing businesses by the provision of training, coaching, and mentoring services and networking opportunities**

a. **Deliver the Regional Business Partner Capability Voucher Programme**

Target: 52 Capability Assessments and issue $80,000 NZTE Vouchers while achieving a minimum of 60% Net Promoter Score through NZTE Annual and refer a minimum of 24 businesses to Business Mentors NZ

In the first six months of this year ENC have:

- Undertaken 58 full capability assessments (111% of target)
- Issued 56 vouchers worth a total of $68,081 to 53 businesses to assist with training or coaching (85% of target)
- ENC assisted 1 business with access to Callaghan Innovation funding (target 1)
- Referred 27 businesses to Business Mentors NZ (112% of target)
- Received a net promoter score for North Canterbury of +73 (target +50)
b. Provide Training to Local Business Owners and Managers  
**Target: Run at least 20 half day workshop/seminars with 80 business people attending, with a minimum of 80% of participants finding the overall standard to be very good or excellent**

In the first six months of this year ENC have:

- Run 7 courses comprising of 19 half day workshops YTD (95% of target) with 47 businesses attending and a 100% satisfaction from participants.

We have a good programme of workshops scheduled for February to June 2019.

c. Provide Networking Functions at least three times a year  
**Target: A minimum of 60 people attending each networking event and fully sponsored**

ENC hosted two networking functions, fully sponsored with 195 business people attending (an average of 97).

d. Support local businesses by referring them to the appropriate agency  
**Target: A minimum of 60 businesses referred to external agencies for funding**

61 businesses referred to external agencies after a formal interview.

e. Retain ENC’s Business Partner Programme to provide increased services to local businesses  
**Target: Secure a minimum of 10 partners at any given time with income of $10k**

We have a total of fourteen business service partners who assist with ‘Talk with the Experts’ series where we invite people to talk with experts on a subject one-on-one for 40 minutes at no charge. This provides expertise to our businesses and a chance for our Business Service Partners to show their value.

f. Communicate with businesses so they are well informed about services and support available to them  
**Target: Produce at least 10 electronic newsletters and increase website visitors and Facebook connections increase by 10% (currently 1,300 Facebook followers)**

i. ENC Website and social media

The website of www.northcanterbury.co.nz is constantly updated with new and informative content

Website stats:
- Sessions: 34,424, Users: 26,031, Page views: 61,656.
- Facebook: Our page likes are 1,494 (compared to last year’s total of 1,107)

ii. Newsletter

ENC produced six electronic newsletters this period to an average of 2,612 recipients with an open rate of 18.61%.

Objective 1.2 Celebrate and recognise business leaders in the region

i. Organise the biennial North Canterbury Business Awards and Gala Dinner & Ceremony 2018

**Targets: Have at least 360 people attend the Gala Dinner and Awards; achieve at least 5% of the North Canterbury population to vote in the People’s Choice Awards; achieve a minimum of 80% level of satisfaction from the participants**
361 guests attended the North Canterbury Business Awards. These awards had the largest reach yet with 16% of the population voting in the People’s Choice Award. Surveying is underway of competitors, but of the 18 responses received to date we have a 100% satisfaction rate.

Objective 1.3 Undertake analysis of regional business opportunities
Targets: Achieve a minimum of 50 participating businesses in the survey and ensure that the results are picked up by the newspapers; Infometric reports are included in board reports and widely distributed.

We completed our October Business Confidence Survey in association with Research First. We had the largest uptake of businesses participating in this six month survey, with 72 taking part. The analysis of this survey is available on our website. It was distributed to Councils, businesses, local media and interested parties.

Objective 1.4 Assist Hurunui Town Development
Targets: Survey completed and shared with businesses and Councils; Business initiatives are created following engagement; ENC assists in implementing activities as a result of engagement

ENC has been asked to complete a survey on behalf of the North Canterbury Wine Growers. It is hoped it will provide an annual stocktake of its contribution to the North Canterbury economy and enable us to evaluate industry and market needs. It will outline the number of jobs, export and domestic sales and tourism contribution to the region and NZ. It will also identify opportunities for the local industry.

We have also assisted businesses in Hanmer Springs with their immigration concerns around how long it was taking to get visa’s and not having a dedicated person to make direct contact with in Immigration NZ.

Objective 1.5 Manage the ENC Business Centre
Targets: Achieve sponsorship to the value of $64,000; achieve at least $17,200 room hire and $7,600 for catering for the Business Centre; bookings increase through greater awareness of centre; quarterly free “Talk with the Experts” sessions held with good uptake

a. Sponsorship
- One new sponsor this period. Ravenswood.
- We have maintained Two Silver and Eight Bronze Sponsors, now at Nine Bronze
- On 25th July and 27th November we hosted a networking function with the Board and Sponsors who appreciated the opportunity to meet each other

b. Business Centre Activity

<table>
<thead>
<tr>
<th></th>
<th>Full Year Budget</th>
<th>Actual YTD</th>
<th>% Budget Delivered YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room Hire</td>
<td>$17,200</td>
<td>$10,230</td>
<td>60%</td>
</tr>
<tr>
<td>Catering</td>
<td>$7,600</td>
<td>$2,302</td>
<td>30%</td>
</tr>
</tbody>
</table>
c. Run free events to encourage businesses to engage with the Centre

Held free coaching sessions at the Business Centre “Talk with the Experts”. We had 13 participants over three free sessions in this six month period.

GOAL TWO: Attract and inspire businesses, Te Rūnanga o Ngāi Tahu and Government to Invest in our region

i. Involve strategic partners who will provide leadership and advocacy

ENC Trustees and staff/management held a strategy session on the 25th of October to progress the objective of “Developing a Strategic Partner Group to influence and attract a significant business to the region”. It was decided there could be an opportunity to progress a North Canterbury Food Cluster incorporating producers and manufacturers to identify gaps and opportunities within North Canterbury. This will commence in March 2019.

ii. Access funding for a full feasibility study for a North Canterbury Cycle Trail

Targets: Steering Group formed to lead initiative; application completed and submitted to funder; successful funding and feasibility study written

ENC submitted an application to the Provincial Growth Fund on the 20th of July 2018 to progress a 92km off-road cycle trail from the City to Waipara Wineries. The Steering Group includes ECAN, HDC, WDC, ENC, Cycle Journeys, BDO, Quality Tourism and Hamish Seaton. We are still awaiting a decision.

GOAL THREE: Promote Waimakariri District

A full report on this contract is provided directly to the Waimakariri District Council.

4. Financial Performance

The Profit and Loss Account contained in Appendix 1 shows performance for the first 6 months of the year.

YTD Income is $24k below budget, key variances are all due to timing:
- NCBA Awards up $7k, Additional sponsor and higher ticket sales
- Event Income down $8k due to timing of funded Events
- Kaiapoi i-SITE up $17k due to increased sales (Coastal Pacific local special)
- Admin Income down $44k Provincial Growth fund – budget split evenly over 12 months

YTD Expenses are $77k below budget, key variances are:
- Business Attraction down $12k ($13k wages – Miles solely covered Business Support for two months)
- Events down $13k due to timing of funded Events
- Admin Expenses down $75k solely Provincial Growth fund – budget split evenly over 12 months

The debtors ledger shows a debit $1,690 at 90days+ and $625 at 60 to 90 days. We are confident we will receive all outstanding monies.

5. Sponsorship

- ENC is grateful to new and existing sponsors of the business centre
- We secured sponsorship for the two networking functions this period
- We also secured new and existing sponsors for the 2018 North Canterbury Business Awards
6. **Staff**

- This period Lynley McDougall resigned after eighteen months as Business Centre Manager to take up a role at Oxford Area School as international liaison person. Tania Emmett commenced on the 28 August 2018. Lynley has offered to remain as a casual employee to cover for holidays or leave for the Kaiapoi i-SITE.

- Michele Wilson resigned after eighteen months as Earthquake Recovery Officer and Business Support to take up University study full time. Guy Graham commenced on the 23rd of October 2018.

7. **Governance**

ENC Trustees updated the ENC Risk Register this period to include sections on Health and Safety and Cyber Security.

With Debbie Anderson resigning this year and Nick Harris finishing his three terms in May, we advertised for two more Trustees. The Mayors interviewed a shortlist of three. Bob Penter (consultant) along with Mike Weight (GM of Wedderburn Honey) were the successful applicants.

The ENC Board is committed to bringing through the next generation of talented, skilled, diverse and engaged directors. An Intern Trustee role has been established to assist in developing a pipeline of talent for governance roles within ENC and other organisations. The inaugural Intern Trustee is Andrew Gilchrist, for a period of one year initially.

8. **Summary**

We were thrilled to win the Economic Development NZ (EDNZ) Award for Best Practice for Primary Research. Our win was also showcased in the EDNZ Journal and in both local newspapers.

ENC board and management are pleased with the progress and foundation built in the past six months and look forward to successfully delivering the following projects:

- Commence the full feasibility, track design and marketing strategy for the ‘Wheels to Waipara’ off-road cycle trail
- Complete the concept and track design for a Loop Trail on the eastern side of Waimakariri District
- Complete a North Canterbury Wine Growers survey of all wineries and growers to benchmark the contribution the industry makes to North Canterbury
- Facilitate a North Canterbury food sector survey along with investigating an opportunity to progress a North Canterbury Food Cluster incorporating producers and manufacturers
- Work in partnership with Lincoln University’s Tourism Research team to be part of a pilot large scale, multi-year study with the potential to leverage food and wine tourism for regional and community resilience in North Canterbury. They will employ a postdoctoral researcher for two years to lead this
- Attend TRENZ for the first time to promote the benefits of Waimakariri District to inbound tour operators from around the world
- Progress securing several large tourism attractions to North Canterbury
- Continue to provide exceptional business support to all North Canterbury businesses

Nick Harris  
Chairman

Heather Warwick  
Chief Executive
20 February 2019

Chief Executive Officer
Waimakariri District Council
Private Bag 1005
Rangiora

Dear Jim

Promotion of Waimakariri District
Business Plan Report to 31 December 2018

We are very pleased with the results being achieved in promoting Waimakariri District in the first six months of this year.

WAIMAKARIRI DISTRICT PROMOTION PLAN OBJECTIVES

To promote the District as an innovative and progressive place to live, work, stay, play, and prosper by:

- Business Promotion – market the district so that more businesses want to set up here
- Enhance the Visitor Experience – collectively market the district to visitors and provide quality information services
- Connect with residents – increase local pride, awareness of events and endorse their own district to friends and family
- Develop new products – grow the districts offering by assisting and promoting new visitor attractions

1. Goals

To achieve the Promotion Objectives the 2018/19 Promotion Plan has four key goals with an aim to attract visitors and new businesses through marketing and events, profiling why it is worth visiting/investing in/doing business in/relocating to.

GOAL 1: BUSINESS PROMOTION (Business Sector)

ENC are mandated to market the desirable features of setting up in the Waimakariri District, encouraging more businesses to establish here. ENC has:

1.1 Give business planning and modelling support to new and expanding businesses
a) Welcomed 24 new businesses to the district through social media and our newsletter along with either calling them or visiting them personally to gain their approval to be promoted via our channels.

b) The ENC Business Support Manager (BSM) provided business start advice to 32 people in the 6 month period to 31 Dec 2018. These included people scoping an idea, and new businesses just getting started. They approached ENC through word of mouth and our website. Of these businesses, 19 were working towards setting up a new business and the rest had already started and needed some help.

c) Currently working with 15 business interests (17 last year), all of whom remain interested and 9 who now seem extremely likely to establish businesses in the Waimakariri.

While ENC is not able to name businesses due to strict commercial sensitivity and confidentiality, we can confirm that substantive discussions are occurring with:

- A biotech venture developing probiotics for stock
- A large scale food producer looking at building a factory in the Waimak
- A current Waimak manufacturer who is expanding and was considering Selwyn as a location (on pause as China market has declined)
- A specialised café
- 2 large developments (same developer)
- A retail co-operative
- An international golf academy
- A 200 bed hotel
- A national technology company
- A new mid sized venue
- A private school
- A large scale tourism attraction
- A hire company
- Four Councils – a two day cycle trail from Christchurch to Waipara with the first night in Waimakariri

d) In the six month period to 31 December the following businesses opened with assistance from ENC

- Silverstream Medical Centre (introduced one of the partners)
- Funky Monkey Bars (Australian franchise, based in Waikuku)
- The Girouard Centre of Weight Management and Wellness
- Rangiora Yoga (small scale private business)
- Loburn Grove (existing business – we assisted them with expansion)

1.2 Working with existing developers to enable them to achieve tenants for their developments

This six month period ENC has:

- Worked with Ravenswood, Silverstream (Fred Rahme and Devon Construction), Andrew Wenborn, PLC Developments, Daniel Smith Developments and other smaller developers to promote commercial and industrial land.
- Established a commercial property section in our newsletter that has shown good results for developers (the first promotion productive leads to 33% of developers involved)
- Provided key statistics on the district to interested tenants for developments.
- Been interviewed by Radio New Zealand about the Kaiapoi Regeneration
- Advised potential hotel to the region about future possibilities. This has led to them changing their building plan so that they have the expansion possibility that will be needed.
- Worked with a group proposing a major tourism attraction for another region. We have now convinced them that the Waimakariri as a realistic option for them.
- Took delegation from Enshi, China for a tour around potential businesses for them to invest in, or to import from.

Mixed Use Business Area
- Been part of the working group developing the plan for the Kaiapoi recovery zone, and advised Council on what is needed to attract appropriate businesses to the zone.
- Identified and approached a potential tenant for what was to be land zoned for rural use – this will be a major commercial business if we can convince them that Kaiapoi is the best location.

1.3 Promote the district as a diverse and dynamic business community

In this period ENC has promoted the image of a diverse and dynamic business community via our website news articles and social media channels. Some of the stories have included:
- Tourism and Housing Increase in the Waimakariri
- North Canterbury Sales & Investments Up Despite Low Business Confidence
- River Queen Arrives in Kaiapoi
- $4.3 Million Development Planned for Hanmer Springs
- North Canterbury Business Awards Winners Announced at Gala
- North Canterbury Cycleway Seeks Growth Fund Support
- North Canterbury Exporters: Part 5 (Hellers profile)

For the six months to December 2018, 186 (221 last year) unique visitors viewed our extensive informational Business Start Up Page and 3,223 (2,126 last year) visits to the Invest Waimakariri section of the website (and increase of 55%).

GOAL 2: ENHANCE THE VISITOR EXPERIENCE (Visitor Industry)
Visit Waimakariri will continue to leverage the Waimakariri District profile widely

2.1 Marketing
2.1.1 Marketing Promotion

- We have started to capture video content for online, in presentations on the i-SITE screen in Kaiapoi and in the Christchurch Airport i-SITE. This content will also form the basis of the BRoll video we will use in the Waimakariri Story resources which will be developed in the first half of 2019.
- We presented to the team at ChristchurchNZ, training them on the things to see and do in the Waimakariri. We were fortunate to be the ONLY District Tourism Organisation in Canterbury to be asked to do this, so it was a very valuable opportunity.
- We managed to get seven walks as part of The Breeze Walking Festival that ran from 29 Sept to 14 Oct, which was heavily advertised throughout Canterbury.
- We committed to an advertisement in the Canterbury feature in the ‘Our New Zealand’ magazine for three months over summer. This will advertise the Waimakariri District as a visitor destination to passengers on the KiwiRail service and the Interislander.
- We have started to write monthly blogs with the purpose of capturing information about key themes in the Waimakariri and gaining more visits to our website. This has proved to be very successful with the number of visits increasing each month.
- We have registered and been accepted to attend New Zealand’s largest tourism trade show; TRENZ. This will take place in May 2019 in Rotorua.
2.1.2 Marketing Publications
- We continue to distribute copies of the Official Visitor /Walking and Cycling Guide to 72 i-SITES around NZ and at the Christchurch Airport and City i-SITE (30,000 produced). We also continue to distribute copies of the North Canterbury Food and Wine Trail Guide (10,000 produced).

2.1.3 Website and online channels
- The website of [www.visitwaimakariri.co.nz](http://www.visitwaimakariri.co.nz) and social media is constantly updated to promote the district. Total user on the website of 59,309 for the year ending December 31, 2018, an increase of 6.58% for same period last year.
- Social media: Facebook likes have grown to 3,851 31st December 2018 from 3,219 31st December 2017 and our Instagram followers are now at 766 from just 485 the year prior.

2.2 Coordination

2.2.1 Visit Waimakariri Visitor Industry Partnership
- We developed a new Business Partners Prospectus with more benefits. The aim of this was to entice those who are existing partners, to stay on board and to encourage new ones to come on board. We currently have 46 business partners.
- We held a free social media workshop for business partners in November which was fully subscribed with 20 attending.
- We ran the North Canterbury Business Award with Hanmer Springs Thermal Pools and Spa sponsoring the Hospitality and Tourism category. We had six entries, in this category, with Coffee Worx announced as winner, Ribbonwood Country House and CBK Craft Bar and Kitchen as finalists.

2.2.2 Town Centre Promotion and Support
- ENC and WDC co-hosted one Promotion Associations Chairs meetings on the 29 Nov 2018.
- Attended Mix and Mingles at Rangiora Promotions, KPA and OPAC this period.
- Attended a workshop at Pegasus to investigate setting up a new promotions group called Coastal Promotion Association.

2.2.3 Other Stakeholders
Regular liaison has been maintained with local, regional and national stakeholders
- Met with two local Rūnanga representatives to update them on the opportunities that the Wheels to Waipara off-road cycle trail may present.
- Presented to the Woodend Sefton Community Board and Rangiora Ashley Community Board this period. Continually working with DOC and TTKT

2.3 Operate and grow the Kaiapoi i-SITE
*Provide coordinated, consistent and professional district-wide information to residents and visitors.*

The i-SITE serves the local community by connecting visitors with residents and businesses. This is six month period:
- Visitor numbers are up 12% on the same six months last year from 1,817 to 2,027
- Commissions overall for YTD are up over 100% on this time last year from $42,800 vs $87,782 (this is due to the huge number of locals booking the TranzAlpine and Coastal Pacific Train specials).
- Kaiapoi i-SITE built a strong relationship with The Great Journeys of New Zealand and following the successful Winter Promo on the TranzAlpine 2018 they offered a “Locals Deal” on the Coastal Pacific to launch its return to service on the 1st December 2018.
- This has proven the i-SITE has a convincing connection with the community and has delivered excellent results.
• The i-SITE supported the Kaiapoi Community Christmas day lunch with selling tickets to attend, KPA Mid-Winter Big Night Out tickets, Annual Bear Hunt distribution point, The Breeze Walking Festival booklets and KPA's Pick up/drop off Santa
• Kaiapoi i-SITE local Business Partners 25 this year (up from 23 last year)
• Traffic flowing again on State Highway One an increase in visitors and bookings, noting first time visitors to New Zealand from Australia

GOAL 3: CONNECT WITH RESIDENTS (Visitor Industry)
Increase local pride, awareness of events and endorse their own district to friends and family

3.1 Event Promotion
We continue to market Waimakariri Events:
• Monthly events calendar goes out to 122 local businesses
• Monthly Waimakariri Events newsletter goes out to over 1200 subscribers (both local and Christchurch residents)
• We are sourcing three event advertisers each month to fund a full page of district wide events in The North Canterbury News.
• We ran two very popular Blogs this period:
  o ‘Camping’ – end of Dec for 1 week - reached 13,752 people (who saw it) – 715 clicked through to the landing page on our website and read the blog in full
  o ‘Shopping’ – end of Nov – to coincide with Xmas shopping night in Rangiora - reached 6,735 people – 306 link clicks through to our website to read the blog.
• Since November we ran weekly paid advertising for Waimakariri Events and Blog articles on Facebook (targeting Christchurch specifically). We received 1,454 clicks through to a landing page on our website and reached 40,167 people (they have seen our ad on their social media site at least once)
• The number of events promoted by Visit Waimakariri Website for the period of this report was 310 (304 same period last year).
• Printing.Com continues as our sponsor for the colour printing of the event calendar.

3.2 Contestable Event Funding
The Waimakariri Events Panel reviewed 9 funding applications in August 2018. One was rejected. Eight met the criteria and were successful in being granted $16,998.
Number of new events funded: 4
Number of existing events funded: 4
Reject rate: 1

Total value of events projected to be $267,057 ($100k of this is the PGA at Pegasus). The organisers of these eight events expect to attract 21,920 attendees.

We remain grateful to the professional event panel members, who give their time to consider the applications and are required to sometimes make hard but fair decisions.

3.3 Assistance to Event Organisers
• We ran a free social media (Facebook) workshop tailored specifically for local event organisers with 15 local event organisers attending.
• We also worked with a professional event organiser to develop an Off Road Expo in the Regeneration area of Kaiapoi. This was postponed to 2020 as the feedback from the sector (key people) and others that run some of the larger clubs in Canterbury, have said they are currently not able to participate and that their own events take precedent at this time.

---

1 Clare Giffard, Robin Brown, Christine Watton
GOAL 4: DEVELOP NEW PRODUCTS (Visitor Industry)
Grow the districts offering by assisting and promoting new visitor attractions

- Wheels to Waipara:
  o An application for $250k was made to the Provincial Growth Fund in July 2018 for funding for feasibility/economic report, concept/build costs and design and a marketing strategy. We await their response.

- Cycle Discovery Project
  o Visit Waimakariri are investigating one connected cycleway, utilising existing off road all surface trails, sealed cycleways and potential on road cycle lands. The connected cycleway will be on the eastern side of the district. The approximate distance of the track, not including off shoots, is 54 km and includes Kaiapoi Island, Pegasus Trail, Tutaepatu Trail, Rakahuri Trail and Passchendaele Memorial Path.
  o Visit Waimakariri has been working with ECAN Rangers and Tuhaitara Coastal Park Rangers looking at the suitability and durability of their individual trails; Rakahuri, Pegasus Bay, Tuhaitara Coastal Park. We have also been looking at accessibility for users and signage.
  o Information is being collected via online collector app including photos, points of interest, parking, playgrounds, public toilets, and other information pertinent to cyclists
  o We have connected with Mark Inglis to look at cross overs with Heartland Trails through our district to minimise any confusion.

2. Financials

<table>
<thead>
<tr>
<th></th>
<th>Six Months Actual</th>
<th>Annual Budget</th>
<th>%age</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carried forward from previous Year WDC</td>
<td>$33,555</td>
<td>$63,616</td>
<td>52%</td>
</tr>
<tr>
<td>WDC 2018/19 Payment</td>
<td>$190,434</td>
<td>$380,870</td>
<td>50%</td>
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<tr>
<td>WDC Events Grants</td>
<td>$17,191</td>
<td>$48,412</td>
<td>35%</td>
</tr>
<tr>
<td>Other Income</td>
<td>$14,505</td>
<td>$32,337</td>
<td>44%</td>
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<tr>
<td>VIC Sales and Commissions</td>
<td>$67,782</td>
<td>$111,000</td>
<td>79%</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>$343,467</td>
<td>$636,235</td>
<td>53%</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>$221,561</td>
<td>$480,544</td>
<td>46%</td>
</tr>
<tr>
<td>Event Grants</td>
<td>$17,191</td>
<td>$55,633</td>
<td>30%</td>
</tr>
<tr>
<td>VIC Purchases</td>
<td>$78,840</td>
<td>$99,840</td>
<td>79%</td>
</tr>
<tr>
<td><strong>Total Operating</strong></td>
<td>$317,572</td>
<td>$636,017</td>
<td>49%</td>
</tr>
<tr>
<td><strong>Surplus/Loss</strong></td>
<td>$25,895</td>
<td>$218</td>
<td></td>
</tr>
</tbody>
</table>

1. WDC Event Grants – timing funding round due shortly
2. Business contribution slightly down but expected to pick up next half
3. KVIC – Kiwirail Train Deals
4. Operating Costs down due to timing of programmes including business attraction
5. Event Grants is down due to timing of pay outs
6. KVIC – Kiwirail Train Deals
3. **Summary**

ENC staff, Gwen, Liz, Janine, Mel and Miles, have had a very productive and busy time this last six months promoting the Waimakariri District to local residents (events), visitors and business interests. We are proud of their commitment to showcasing and promoting the opportunities of this wonderful district to visitors, businesses and local residents.

Attracting more visitors who spend more and stay longer provides economic benefits. Making investment in Waimakariri easy for businesses, entrepreneurs and investors will also enable economic growth.

ENC through *Visit Waimakariri* provide visitors with a reason to experience this distinctive district. It is our role to promote and assist with the development of new products for the region to remain competitive.

Heather Warwick,  
ENC Chief Executive
STATEMENT OF INTENT
For the Financial Year Beginning 1 July 2019

INTRODUCTION

North Canterbury Economic Development Trust trading as Enterprise North Canterbury (ENC) is a Council Controlled Organisation (CCO) established by the Waimakariri District & Hurunui District Councils. This Statement of Intent sets out the overall intentions and objectives for the period of 1 July 2019 to 30 June 2022.

NATURE AND SCOPE OF ACTIVITIES

ENC is an Economic Development Agency with a vision:

‘To inspire, attract and retain individuals, businesses and social enterprises to invest in our region’

THE OBJECTIVES OF THE TRUST

The objects of the Trust as set out in clause 3.1 of the Deed of Trust are to:

a) “Cultivate economic initiatives and foster growth for the benefit of the North Canterbury Community
b) Promote the economic, environmental, cultural and social well being of the North Canterbury Community

THE PERFORMANCE MEASURES

In pursuit of its vision ENC has adopted three strategic objectives against which its performance will be monitored.

ENC’s *modus operandi* is to “stimulate/facilitate/lerberate” new projects, as initiatives will only lead the regional economy to a higher level if a project is self-sustaining in the hands of the private sector. ENC does not see itself as “owning” projects in the long term. Accordingly when assessing new initiatives ENC will:

- Promote the sustainability of business
- Have an awareness of the needs of the community within which business operates
- Be a leader and facilitator but not an investor in development projects

THE PERFORMANCE MEASURES

In pursuit of its vision ENC has adopted three strategic objectives against which its performance will be monitored.
Vision: ‘To inspire, attract and retain individuals, businesses and social enterprises to invest in our region’

<table>
<thead>
<tr>
<th>Strategic Objective 1: Supporting existing businesses to grow and prosper</th>
<th>Performance Measure</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective 1.1 Support existing businesses by the provision of training, coaching, and mentoring services and networking opportunities</td>
<td>Deliver the Regional Business Partner Programme for NZTE</td>
<td>A minimum of 60% net promoter score of services provided by ENC through NZTE’s annual customer survey</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Undertake 48 Capability Assessments and issue a minimum of $80,000 NZTE Vouchers</td>
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<tr>
<td></td>
<td></td>
<td>A minimum of 24 businesses referred to Business Mentors NZ</td>
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<td></td>
<td></td>
<td>Refer at least 2 businesses undertaking research and development work to Callaghan Innovation</td>
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<tr>
<td></td>
<td>Provide training of local business owners and managers</td>
<td>Run 20 half day business training workshops with 80 business people attending, with attendees expressing a minimum of 80% satisfaction rate</td>
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<tr>
<td></td>
<td>Provide networking opportunities to market, share knowledge, exchange information three times a year</td>
<td>Run 3 networking functions with a minimum of 60 attending and each event is fully sponsored</td>
</tr>
<tr>
<td></td>
<td>Support local businesses by referring them to the appropriate support agency</td>
<td>A minimum of 60 businesses referred to external agencies (excluding BMNZ)</td>
</tr>
<tr>
<td></td>
<td>Retain ENC’s Business Partner Programme to provide increased services to local businesses</td>
<td>Retain a minimum financial commitment of $10k from business partners</td>
</tr>
<tr>
<td>Objective 1.2</td>
<td>Celebrate and Recognise Business Leaders in the region</td>
<td></td>
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<tr>
<td>----------------</td>
<td>------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Communicate with businesses so they are well informed about services and support available to them</strong> Maintain and grow ENC’s website and social media</td>
<td>A minimum of 10 electronic newsletters distributed Enhance northcanterbury.co.nz website and Facebook and increase number of visitations Grow social media channels and website visitors by 10%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Objective 1.3</th>
<th>Undertake analysis of regional employment opportunities and trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Launch the 2020 Business Awards</td>
<td>Full sponsorship of seven categories is achieved Succesful launch event held An increase of 10% business entries</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Objective 1.4</th>
<th>Assist Hurunui Town Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have a high level of understanding of local labour market conditions and economic confidence in North Canterbury</td>
<td>Complete 2 business confidence surveys with a minimum of 50 businesses participating with results picked up by newspapers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Objective 1.5</th>
<th>Manage the ENC Business Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENC and the Council’s fully understand the needs of small businesses in rural townships</td>
<td>Survey completed and discussed with participants and Council Business initiatives are created following engagement ENC to assist in implementing two activities as a result of their engagement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Objective 1.5</th>
<th>Manage the ENC Business Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain engagement with Corporate Sponsor MainPower, two Silver sponsors and eight bronze sponsors Generate bookings and catering for room hire Success in repeat business for room hire and new business as a result of marketing the business centre through various channels Run free events to encourage businesses to engage with the Centre</td>
<td>Achieve sponsorship to the value of $64,000 Achieve at least $17,200 room hire and $7,600 for catering for the Business Centre Quarterly “Talk with the Experts” are held and well supported</td>
</tr>
</tbody>
</table>
### Strategic Objective 2: Attract and inspire businesses, Te Rūnanga o Ngāi Tahu and Government to Invest in our region

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.1 Develop a North Canterbury Cycle Trail</strong></td>
<td>Steering Group to lead initiative</td>
</tr>
<tr>
<td>Involving strategic partners who will provide leadership and advocacy</td>
<td>Commence feasibility study and market development strategy</td>
</tr>
<tr>
<td>Access funding for a full feasibility study</td>
<td></td>
</tr>
<tr>
<td>Prepare a feasibility study for the development of a North Canterbury Cycle Trail</td>
<td></td>
</tr>
<tr>
<td>from Christchurch to Waipara</td>
<td></td>
</tr>
<tr>
<td><strong>2.2 Develop a strategic partner group to influence and attract a significant business to the region</strong></td>
<td>Group set up and objectives agreed</td>
</tr>
<tr>
<td>Set up a Food Sector focus group with an appropriately skilled team who will</td>
<td>Several significant businesses identified</td>
</tr>
<tr>
<td>strategically develop relationships with key innovative investors and organisations</td>
<td>Council actively involved and working in partnership with the group</td>
</tr>
<tr>
<td>who would move to the region</td>
<td></td>
</tr>
</tbody>
</table>

### Strategic Objective 3: Promote the Waimakariri District

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promote the Waimakariri District to businesses and visitors</strong></td>
<td>Favourable response from annual report to WDC and renewal of service delivery contract</td>
</tr>
<tr>
<td>Overall satisfaction by WDC</td>
<td></td>
</tr>
<tr>
<td><strong>3.1 Business Promotion</strong></td>
<td>At least 40 new and expanding businesses are supported with investigating setting up a business in the district</td>
</tr>
</tbody>
</table>
| Work with existing developers and Council to enable them to achieve tenants for their developments | Number of connections to developers tracked  
At least 5 new businesses set up in the District as a direct result of ENC’s intervention  
ENC will be an active member with Council in the Mixed Use Business regeneration land discussions and plan development |
|---|---|
| Promote the district as a diverse and dynamic business community | Track and grow online visitations to the Invest Section of ENC website  
15 case studies have been written and promoted widely  
At least 20 new businesses to the District are profiled on ENC’s Facebook  
District promotional video is produced |
## 3.2 Enhance the Visitor Experience

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop the Waimakariri Story</td>
<td>Waimakariri Story created in alignment with The Canterbury and NZ Story</td>
</tr>
<tr>
<td>Lead the development of a Waimakariri District Visitor Strategy</td>
<td>A new visitor strategy developed and signed off by key stakeholders</td>
</tr>
<tr>
<td>Leverage the Waimakariri District profile to visitors</td>
<td>New image and video library produced</td>
</tr>
<tr>
<td>Distribute marketing publications both hard copy and online</td>
<td>Official Visitor/Walking and Cycling Guide and Street Maps and Inbound Tour Operator Manual distributed</td>
</tr>
<tr>
<td>Manage web and online channels</td>
<td>Achieve growth in online presence through website page visits and Facebook likes and reach, Instagram and newsletter uptake</td>
</tr>
<tr>
<td>Coordinate joint advertising opportunities with operators</td>
<td>Coordinate the Waimakariri District’s inclusion in the 2019 Walking Festival and representation at TRENZ</td>
</tr>
<tr>
<td>Operate the Kaiapoi i-SITE</td>
<td>Meet i-SITE NZ membership accreditation</td>
</tr>
<tr>
<td>3.3 Connect with Residents</td>
<td>Promote and support quality events which reinforce the strengths and brand of the District and are embraced by the community</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Administer the contestible event funding | Number of events currently promoted increased by 5%  
Waimakariri Events Calendar distribution and the database continues to increase |
| ENC will monitor for Council:  
- the proportion of innovation ie new events vs existing  
- the reject rate (is the fund big enough?) | |

<table>
<thead>
<tr>
<th>3.4 Develop new Products</th>
<th>Develop cycle trails and connections in the Waimakariri</th>
</tr>
</thead>
</table>
| Identify and support new rural tourism experiences | District wide walking/cycling map developed and printed and online  
Facilitate the agreement of parties and development of an eastern loop cycle trail |
| Celebrate culture and diversity in the district | Assist new rural tourism product to commence  
Progress opportunities to promote culture of local iwi  
Assist TKTT in promoting their places and stories |
THE BOARD’S APPROACH TO GOVERNANCE

The Board of Trustees is responsible for the overall corporate governance of ENC. The Trust Deed sets out the governance responsibilities of the Trustees. The Board guides and monitors management of the business and affairs of the Trust on behalf of the Councils to whom they are accountable. The Mayors of each of the Councils are Trustees, and the two CEO’s are Advisory Trustees. The Board meets two monthly.

THE ACCOUNTING POLICIES

The Trust is a not-for-profit organisation. The Trust has adopted accounting policies that are consistent with the Financial Reporting Act 1993 and Financial Reporting Standards issued by the Institute of Chartered Accountants of New Zealand. The Trust has elected to apply the PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability and has total annual expenses of less than $2m.

THE RATIO OF CONSOLIDATED SHAREHOLDERS FUNDS TO TOTAL ASSETS

As at 30th June 2018 the Trust’s Equity comprised 61% of total assets and 100% of net assets. Equity is defined as the sum of the amount of retained earnings and accumulated losses. Total assets are defined as the sum of the net book values of current assets and non-current assets as disclosed in the Trust’s annual report.

DISTRIBUTIONS TO SHAREHOLDERS

The Trust’s Equity is not distributed, but is held in reserve to fund the Trust’s future economic development activities and Waimakariri District promotion activities as appropriate.

INFORMATION TO BE PROVIDED TO SHAREHOLDERS

Annually the Trust reports to the Councils, with the following matters being covered:

- Trust Directory
- Review of the Year’s Activities
- Report against the Year’s Performance Measures
- Statement of Financial Position
- Statement of Cashflows
- Statement of Financial Performance
- Statement of Movements in Equity
- Notes to the Accounts
- Auditor’s Opinion

Half yearly reports are provided to Councils including a statement of income and expenditure for the period, and a report of achievements against the Trust’s objectives.

Quarterly reports are required by WDC.

The two Mayors and CEO attend Board meetings and receive bi-monthly management and financial reports. The Trust’s Strategic Plan and the Annual Business Plan and Budget are made available to the two Councils following its approval by the ENC Board.
PROCEDURES FOR MEMBERS TO ACQUIRE SHARES

There is no means for Trustees to acquire shares.

COMPENSATION FROM LOCAL AUTHORITIES

The Trust receives seed capital from the two District Councils to enable it to initiate its economic development activities. In addition ENC has a service contact with Waimakariri District for the provision of District Promotion services. The following table sets out the current level of funding and that projected for the next three years (excl. GST).

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>2019/20</th>
<th>2020/21</th>
<th>2021/22</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waimakariri District Council</td>
<td>$TBA</td>
<td>$TBA</td>
<td>$TBA</td>
<td>Economic Development</td>
</tr>
<tr>
<td>Waimakariri District Council</td>
<td>$TBA</td>
<td>$TBA</td>
<td>$TBA</td>
<td>District Promotion</td>
</tr>
<tr>
<td>Hurunui District Council</td>
<td>$TBA</td>
<td>$TBA</td>
<td>$TBA</td>
<td>Economic Development</td>
</tr>
</tbody>
</table>

To be advised as Councils determine funding through their Annual Plan processes

If any other contracts are entered into between the Trust and any territorial or regional authority, payment of the contract price will be required from such contracting authority.

COMMERCIAL VALUE OF THE SHAREHOLDERS’ INVESTMENT

The commercial value of the shareholders’ investment is the Trust’s equity is $488,467 at 30 June 2018 as stated in the annual report.

The Trust Deed requires that “the capital and income of the Trust fund shall be applied only within New Zealand to meet the Objects of the Trust”. On winding up all surplus assets are to be applied by the Councils to similar purposes as the Objects of the Trust. No reassessment of the Trust’s commercial value is therefore proposed.

OTHER MATTERS

The Trust has a contract with Waimakariri District Council for the provision of promotion services until 30 June 2021. The contract has a right for the trust to call for renewal of the contract for a further three years. The contract has a minimum annual level of funding specified ($200,000) but provides for the Council to confirm a final level of funding each year as it approves the annual Promotion Business Plan, prior to the commencement of each year.
1. **SUMMARY**

1.1. The purpose of this report is to present the Six Month Report for the Period ended 31 December 2018.

1.2. The Trust Income Statement shows it has an operating surplus of $43,296 for the six month period ending 31 December 2018 (Dec 2017: $128 deficit), compared with a budgeted deficit of $11,921.

1.3. The Trust holds net cash assets of $147,937, primarily in cash investments compared with $130,834 the comparative period last year and is in a relatively sound position.

1.4. Catherine McMillan (Trust Chair) and Greg Byrnes (General Manager) will be in attendance at the meeting to present the report and provide an update of the operations and the performance measures that have been provided.

**Attachments:**

i. Report for the Te Kōhaka o Tūhaitara Trust for the six month period ended 31 December 2018 (TRIM 190315034385).

2. **RECOMMENDATION**

**THAT** the Audit Committee:

(a) **Receives** report No.190314034122

(b) **Receives** the Six Month Report for the Te Kōhaka o Tūhaitara Trust for the period ended 31 December 2018;

(c) **Notes** the operations for the six months to 31 December progressing as planned and within budget.

3. **BACKGROUND**

3.1 TKTT is a Council Controlled Organisation and is required under the Local Government Act within 2 months after the end of the first half of each financial year, must deliver to the shareholders a report on the organisation’s operations during that half year.
4. **ISSUES AND OPTIONS**

4.1. The Trust Income Statement shows it has an operating loss of $43,296 for the six month period ending 31 December 2017 (Dec 2017: $128 deficit).

4.2. The Trust holds net cash assets of $147,937, primarily in cash investments compared with $130,834 as at 31 December 2017 and is in a relatively sound position.

4.3. With the addition of the Eastern and Western Conservation Areas are now under the ownership and management of the Trust, the Trust now manages over $6 million of assets, primarily in land and improvements on the land.

4.4. The Trust is making good progress year to date on achieving the objectives and measures as set out in the Statement of Intent agreed with the Council for the year ending 30 June 2019.

4.5. The Trust is still in a relatively sound position given it still has a relatively healthy cash position and no term loan debt. However, given the nature of the operations, the Trust relies on grants and contributions from Shareholders and other submissions it makes to other Organisation for funding to meet its objectives.

4.6. The Management Team have reviewed this report and support the recommendations.

5. **COMMUNITY VIEWS**

5.1. **Groups and Organisations**

Te Runanga o Ngāi Tahu and the Council are Shareholder partners in the Trust and appoint three Trustee each to represent on the Trust.

5.2. **Wider Community**

The objectives and measures are provided for within annual plans and the draft 2019-20 Annual Plan that is currently being consulted with the community.

6. **IMPLICATIONS AND RISKS**

6.1. **Financial Implications**

6.2. The Council has budget provision in the 2019-2020 Annual Plan for the following:

<table>
<thead>
<tr>
<th>2018-19 (Proposed)</th>
<th>Description and nature of cost</th>
<th>Activity area</th>
<th>Ledger Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>207,794</td>
<td>Grant &amp; Audit Fees</td>
<td>Governance</td>
<td>140.100.2410</td>
</tr>
<tr>
<td>5,570</td>
<td>Insurance for Directors</td>
<td>Governance</td>
<td>135.332.2312</td>
</tr>
<tr>
<td>2,810</td>
<td>Meeting allowances</td>
<td>Governance</td>
<td>135.332.2465</td>
</tr>
<tr>
<td>21,530</td>
<td>Forestry land rental</td>
<td>Property-Forestry</td>
<td>167.532.2332</td>
</tr>
<tr>
<td>10,220</td>
<td>Camp land rental</td>
<td>Property - Camp</td>
<td>163.739.2391</td>
</tr>
<tr>
<td>$247,924</td>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6.3. The Council also provides for the accounting and administrative services for the Trust.
6.4. Ngāi Tahu is contributing $241,415 ($80,472 / p.a.) over three years as a general operating grant. This requires renegotiation after the 2020/21 financial year.

6.5. Community Implications

There are no communication implications identified within the report.

6.6. Risk Management

There are no substantial risks that have been identified at this stage to the achievement of the 2018/19 programme.

6.7. Health and Safety

There are no health and safety issue arising out of the report.

7. CONTEXT

7.1. Policy

This matter is not a matter of significance in terms of the Council’s Significance and Engagement Policy.

7.2. Legislation

Section 66(1) of the Local Government Act 2002 states “Within 2 months after the end of the first half of each financial year, the board of a council-controlled organisation must deliver to the shareholders a report on the organisation’s operations during that half year”.

7.3. Community Outcomes

The work of Te Kōhaka o Tūhaitara Trust contributes to the following outcomes:

- There are areas of significant indigenous vegetation and habitats for indigenous fauna;
- Public organisations give effect to the spirit of the Treaty of Waitangi.

7.4. Delegations

Delegation S-DM 1022 provides that the Audit & Risk Committee has the jurisdiction to “Monitor performance of the Council-Controlled organisations on a six monthly basis”.

Jeff Millward
Manager Finance & Business Support
Te Kōhaka o Tūhaitara Trust

Six Month Report
for the Period Ended
31 December 2018
# Te Kōhaka o Tūhaitara Trust

## Statement of Comprehensive Revenue and Expense
for the period ending 31 December 2018

<table>
<thead>
<tr>
<th></th>
<th>Actual Period ending 31 December 2018</th>
<th>Budget Period ending 31 December 2019</th>
<th>Budget Full Year</th>
<th>% Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>1,873</td>
<td>1,736</td>
<td>3,473</td>
<td>64%</td>
</tr>
<tr>
<td>Grant - Council Administration/Operations</td>
<td>19,586</td>
<td>22,052</td>
<td>44,104</td>
<td>44%</td>
</tr>
<tr>
<td>Grant - Tūtaeputu Lagoon &amp; Pines Beach Wetland</td>
<td>18,245</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grants - Other</td>
<td>115,452</td>
<td>112,115</td>
<td>224,229</td>
<td>52%</td>
</tr>
<tr>
<td>Lease Rental &amp; Rates Revenue</td>
<td>23,804</td>
<td>24,063</td>
<td>48,125</td>
<td>45%</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>-</td>
<td>250</td>
<td>500</td>
<td>0%</td>
</tr>
<tr>
<td>Field Guide/ Merchandise Sales</td>
<td>52</td>
<td>1,875</td>
<td>3,750</td>
<td>1%</td>
</tr>
<tr>
<td>Donations</td>
<td>150</td>
<td>115</td>
<td>230</td>
<td>65%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>179,162</td>
<td>162,208</td>
<td>324,411</td>
<td></td>
</tr>
</tbody>
</table>

| **Expenses**         |                                       |                                       |                  |             |
| Advertising          | 916                                   | 500                                   | 1,000            | 92%         |
| Audit Fee            | 3,329                                 | 3,302                                 | 6,604            | 50%         |
| Bank Fees and Interest | 65                                   | 50                                    | 100              | 65%         |
| Bicta Nodes Enhancement | 26                                   | 1,500                                 | 3,000            | 1%          |
| Boardwalk and Cycle Way and Tūtaeputu Lagoon Expenses | 11,397                               | 32,750                                | 65,500           | 17%         |
| Building & Grounds Maintenance / Rates | 4,118                                 | 1,100                                 | 2,200            | 187%        |
| Conservation Management Areas Expense | 1,600                                 | -                                     | -                | -           |
| Functions / Community Events | 701                                   | 625                                   | 1,250            | 56%         |
| Communications Strategy | -                                    | 75                                    | 150              | 0%          |
| Cultural Education Programme & Field Booklet | 7                                    | 1,250                                 | 2,500            | 0%          |
| Employment /Operations Expenses | 77,667                               | 93,750                                | 187,500          | 41%         |
| Depreciation of property, plant and equipment | 22,726                               | 17,600                                | 35,000           | 65%         |
| Insurance            | 1,228                                 | 2,175                                 | 4,350            | 28%         |
| Lease Expenses       | 462                                   | 300                                   | 600              | 77%         |
| Maintenance /Park Services | 490                                  | 3,250                                 | 6,500            | 8%          |
| Office Expenses -Equipment, Stationery etc | 4,737                                | 6,400                                 | 12,600           | 37%         |
| Pines Beach Wetlands | 630                                   | 500                                   | 1,000            | 63%         |
| Sundry Expenses      | 476                                   | 750                                   | 1,500            | 32%         |
| Vehicle Expenses     | 5,316                                 | 3,550                                 | 16,700           | 32%         |
| **Total expenses**   | 135,896                               | 174,127                               | 348,254          |             |

**Operating Surplus / (deficit) before tax**  43,296   (11,921)   (23,844)

**Income tax expense**

**Surplus / (deficit) after tax**  43,296   (11,921)   (23,844)

**Other comprehensive revenue and expense**

**Total comprehensive revenue and expense**  43,296   (11,921)   (23,844)
Te Kōhaka o Tūhaitara Trust

Statement of Movements in Equity
for the period ending 31 December 2018

<table>
<thead>
<tr>
<th></th>
<th>December 2018</th>
<th>December 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity at start of Period</td>
<td>6,202,703</td>
<td>4,872,741</td>
</tr>
<tr>
<td>Total Comprehensive revenue and expense</td>
<td>43,295</td>
<td>15,081</td>
</tr>
<tr>
<td>Trust Equity at end of Period</td>
<td>6,245,999</td>
<td>4,887,822</td>
</tr>
</tbody>
</table>
Te Kōhaka o Tūhaitara Trust

Statement of Financial Position
as at 31 December 2018

<table>
<thead>
<tr>
<th></th>
<th>December 2018 $</th>
<th>December 2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash equivalents</td>
<td>123,584</td>
<td>94,202</td>
</tr>
<tr>
<td>Debtors and prepayments</td>
<td>9,870</td>
<td>6,628</td>
</tr>
<tr>
<td>Investments</td>
<td>110,733</td>
<td>107,316</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>244,187</td>
<td>208,346</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>6,070,584</td>
<td>4,729,510</td>
</tr>
<tr>
<td>Intangible Assets - Carbon credits</td>
<td>27,478</td>
<td>27,478</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>6,098,062</td>
<td>4,756,988</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>6,342,249</td>
<td>4,965,334</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors and accrued expenses</td>
<td>22,281</td>
<td>22,003</td>
</tr>
<tr>
<td>Employee costs payable</td>
<td>32,040</td>
<td>12,726</td>
</tr>
<tr>
<td>Revenue received in advance</td>
<td>41,929</td>
<td>42,783</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>96,250</td>
<td>77,512</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>96,250</td>
<td>77,512</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>6,245,999</td>
<td>4,887,822</td>
</tr>
</tbody>
</table>

General Equity 3,460,002  2,102,425
Revaluation Reserve 2,785,397  2,785,397

**Trust Equity**

6,245,999  4,887,822

Signed
Te Kōhaka o Tūhaitara Trust Chairperson

__________________________
Chairperson

__________________________
Trustee

DATED: 13th February 2019
# Te Kōhaka o Tūhaitara Trust

## Statement of Cashflows

for the period ending 31 December 2018

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>December 2018</th>
<th>December 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from Customers</td>
<td>13,887</td>
<td>2,500</td>
</tr>
<tr>
<td>Interest Received</td>
<td>792</td>
<td>745</td>
</tr>
<tr>
<td>Donations</td>
<td>150</td>
<td>92</td>
</tr>
<tr>
<td>Field Guide Sales</td>
<td>52</td>
<td>52</td>
</tr>
<tr>
<td>Grant - Tutaepatu Lagoon / Pines Wetland</td>
<td>18,245</td>
<td>-</td>
</tr>
<tr>
<td>Grant Te Putea Whakakakaha Mahika Kai</td>
<td>23,500</td>
<td>40,236</td>
</tr>
<tr>
<td>Grant Waimakeriri District Council</td>
<td>32,249</td>
<td>51,930</td>
</tr>
<tr>
<td>Grant Tracks/Reserves Maintenance</td>
<td>95,854</td>
<td>17,500</td>
</tr>
<tr>
<td>Lease Rental &amp; Rates Revenue</td>
<td>37,132</td>
<td>29,634</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>-</td>
<td>323</td>
</tr>
<tr>
<td>Payments to Suppliers and employees</td>
<td>(118,638)</td>
<td>(79,869)</td>
</tr>
<tr>
<td>Interest paid/bank fees</td>
<td>(65)</td>
<td>(65)</td>
</tr>
<tr>
<td>Net Goods and Services Tax</td>
<td>18,320</td>
<td>11,715</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Operating Activities</strong></td>
<td><strong>121,478</strong></td>
<td><strong>74,763</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing and financing activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from sale of property, plant, and equipment</td>
</tr>
<tr>
<td>Receipts from sale of investments</td>
</tr>
<tr>
<td>Payments to acquire property, plant, and equipment</td>
</tr>
<tr>
<td>Payments to acquire investments</td>
</tr>
<tr>
<td><strong>Net cash flow from investing and financing activities</strong></td>
</tr>
<tr>
<td>Net increase(decrease) in cash for the year</td>
</tr>
<tr>
<td>Add opening bank accounts and cash, including bank overdraft</td>
</tr>
<tr>
<td><strong>Closing bank accounts and cash, including bank overdraft</strong></td>
</tr>
</tbody>
</table>
### Te Kōhaka o Tūhaitara Trust

**Note 6A. Property, Plant and Equipment**

for the period ended 31 December 2016

<table>
<thead>
<tr>
<th>Cost</th>
<th>Land</th>
<th>Reserve</th>
<th>Land Restoration</th>
<th>Buildings</th>
<th>Computer Equipment</th>
<th>Motor Vehicles</th>
<th>Plant and Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Carrying amount at 1 July 2017</strong></td>
<td>4,377,000</td>
<td>382,127</td>
<td>72,522</td>
<td>7,120</td>
<td>26,239</td>
<td>100,562</td>
<td>4,847,509</td>
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</tr>
<tr>
<td><strong>Additions</strong></td>
<td>1,189,000</td>
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<td>1,345,165</td>
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<td><strong>Revaluation Gain / (Loss)</strong></td>
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<tr>
<td><strong>Revaluation cost adjustment</strong></td>
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<tr>
<td><strong>Disposals</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Carrying amount at 30 June 2018</strong></td>
<td>5,573,000</td>
<td>498,315</td>
<td>72,522</td>
<td>7,120</td>
<td>26,239</td>
<td>100,562</td>
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<tr>
<td><strong>Carrying amount at 1 July 2018</strong></td>
<td>5,575,000</td>
<td>498,315</td>
<td>72,522</td>
<td>7,120</td>
<td>26,239</td>
<td>100,562</td>
<td>6,285,619</td>
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<tr>
<td><strong>Additions</strong></td>
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<td><strong>Revaluation Gain / (Loss)</strong></td>
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<td><strong>Revaluation cost adjustment</strong></td>
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<td><strong>Disposals</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Carrying amount at 31 December 2016</strong></td>
<td>5,575,000</td>
<td>534,502</td>
<td>72,522</td>
<td>7,060</td>
<td>26,239</td>
<td>119,790</td>
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#### Accumulated depreciation and impairment losses

<table>
<thead>
<tr>
<th>Cost</th>
<th>Land</th>
<th>Reserve</th>
<th>Land Restoration</th>
<th>Buildings</th>
<th>Computer Equipment</th>
<th>Motor Vehicles</th>
<th>Plant and Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Carrying amount at 1 July 2017</strong></td>
<td>115,620</td>
<td>2,871</td>
<td>5,269</td>
<td>18,081</td>
<td>68,258</td>
<td>255,115</td>
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<tr>
<td><strong>Depreciation expense</strong></td>
<td>23,319</td>
<td>2,871</td>
<td>555</td>
<td>5,648</td>
<td>7,232</td>
<td>39,990</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revaluation accumulated depreciation</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
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<tr>
<td><strong>adjustment</strong></td>
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<tr>
<td><strong>Impairment losses</strong></td>
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<td><strong>Disposals</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Carrying amount at 30 June 2018</strong></td>
<td>138,945</td>
<td>5,742</td>
<td>5,269</td>
<td>20,709</td>
<td>73,227</td>
<td>244,572</td>
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<tr>
<td><strong>Carrying amount at 1 July 2018</strong></td>
<td>138,945</td>
<td>5,742</td>
<td>5,269</td>
<td>20,709</td>
<td>73,227</td>
<td>244,572</td>
<td></td>
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<tr>
<td><strong>Depreciation expense</strong></td>
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<td>2,834</td>
<td>4,628</td>
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<td><strong>Revaluation accumulated depreciation</strong></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>adjustment</strong></td>
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<td><strong>Impairment losses</strong></td>
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<tr>
<td><strong>Disposals</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Carrying amount at 31 December 2016</strong></td>
<td>152,460</td>
<td>7,179</td>
<td>8,274</td>
<td>23,553</td>
<td>77,855</td>
<td>267,300</td>
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</tbody>
</table>

### Carrying amounts

<table>
<thead>
<tr>
<th>Time</th>
<th>Land</th>
<th>Reserve</th>
<th>Land Restoration</th>
<th>Buildings</th>
<th>Computer Equipment</th>
<th>Motor Vehicles</th>
<th>Plant and Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 30 June 2018 and 1 July 2018</strong></td>
<td>5,575,030</td>
<td>359,372</td>
<td>66,779</td>
<td>1,172</td>
<td>7,520</td>
<td>35,397</td>
<td>6,045,260</td>
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</tr>
<tr>
<td><strong>At 31 December 2018</strong></td>
<td>5,575,000</td>
<td>359,342</td>
<td>66,244</td>
<td>1,584</td>
<td>4,766</td>
<td>41,906</td>
<td>6,070,584</td>
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</tr>
</tbody>
</table>
FILE: TKT-01-02 / 190114002663
REPORT TO: Te Kōhaka o Tūhaitara Trust
DATE OF MEETING: 13 February 2019
FROM: Greg Byrnes, General Manager
SUBJECT: HALF-YEARLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018

1. PURPOSE

The purpose of this report is to provide the Trustee's with the six-month report for the period ending 31 December 2018. This report will also be provided to the Waimakariri District Council and Te Runanga o Ngāi Tahu in accordance with the requirements of the Local Government Act and Statement of intent for 2018/19.

2. RECOMMENDATION

THAT Te Kōhaka o Tūhaitara Trust:

(a) Receive the six-monthly report for the period ended 31 December 2018;

(b) Forward this report to the Trust Settlor partners, Waimakariri District Council, Audit Committee and Te Runanga o Ngāi Tahu

3. BACKGROUND

This report is the current financial year six-month report which the Trust is required to provide to its Settlor partners, Waimakariri District Council and Te Runanga o Ngāi Tahu.

This report provides the Non-Financial Information which primarily consists of the measures the Trust set and agreed to within the Statement of Intent.

Te Kōhaka o Tūhaitara Trust non-financial actions against the 2018/19 Statement of Intent (Measure in Italic)

The Trust will:

1. Manage and administer the Reserve in accordance with the approved Reserve Management Plan.

   Te Kōhaka o Tūhaitara Trust is managing and administering Tūhaitara Coastal Park in accordance with the Reserve Management Plan, 2015-25 Strategic Plan and current Statement of Intent.

2. Ensure all reporting mechanisms to the Settlors are timely and within their statutory timeframes.

   All required reporting during the current financial year have been within the required statutory timeframes.

3. Ensure that the health and safety and employment conditions of Trust staff, contractors, and visitors meet relevant legislation.

   All contractors, volunteers, and formal visitors are required to complete a hazard review before working in the park. First aid training was completed during November and all staff have current certification.
4. Ensure concessions for events and other activities on Trust land will have Health and Safety Plans and Public Liability Insurance. (Note: Concessions are not just for events, but can be for ice cream vehicles, coffee vehicles, and research activities; they are a mechanism to control all activities.)

All events and other activities e.g. school visits during the reporting period have had Health & Safety Plans and insurance.

5. Ensure that lease agreements are compatible with the Reserve Management Plan and finalised where necessary to maximise the revenue potential for the Trust.

Lease agreements are up to date. One lease has been terminated during the reporting period, horse grazing at The Pines Wetland paddock area, due to adjoining wetland restoration and willow control work.

Also during the reporting period, the Trust has experienced some difficulty around accessing the Northern side of the Park via the Woodend Beach Holiday Park, with the sub lessee seeking to restrict or stop access for Trust staff, contractors and community workers. The Trust is currently trying to resolve this with WDC as primary lessee.

During this first half of the year, two property owners in Pegase Town were identified to have encroached into Te Kohanga Wetlands with lawns, gardens and hedges. The Trust has written to the property owners seeking resolution. This may result in permit to occupy agreements.

6. Promote the cultural significance and history of the land and ensure this is reflected in new programmes.

The Trust continues to promote the cultural significance of the lands. This is ongoing, however, specific opportunities to promote the cultural significance of the lands have included the 8th annual Tūhātara Coastal Park Open Day and Te Runanga o Ngai Tahu's settlement day staff visit. We also hosted visitors from the Universities of Hawaii, Texas A&M and Virginia Tech and included a narrative around the cultural significance of Tūhātara Coastal Park.

7. Maximise the opportunities for additional partnerships and sustainable funding to continue with the rehabilitation of Tūhātara Coastal Park.

Members of Te Runanga o Ngai Tahu Mahinga Kai Fund Komiti held their funding hui at Tūhātara Coastal Park in November and took the opportunity to visit Tūtapaupatu lagoon. Komiti members were very impressed by the progress of the Hapua restoration and were supportive of the Trust applying to Ngai Tahu funds.

Two staff teams from TRoNT, Funding and Tribal Properties, visited the park during the first half of the financial year to better understand the work the Trust is carrying out and how they can support this work.

8. Develop two performing Biota nodes to progress the long-term goal of indigenous coastal forest along the length of the Tūhātara Park.

We have confirmed the site for six new Biota Nodes during the first half of the reporting year, one north of Woodend Beach Holiday Park which is to be adopted by Waimakariri District Homeshcool’s group, four within Te Kohanga Wetland which will be developed in conjunction with the Pegase Lions and their Charity Mud Run event later this year, and one at the junction of Tiritimoana Drive and the open farmland to be adopted by the Hulien whanui.

9. Continue the rehabilitation of Tūtapaupatu Lagoon.

To date we have focused on controlling any regrowth of woody weeds around the lagoon periphery. The Trust hired a fulltime Ranger Ecology in September and Christina has been carrying out willow and woody weed control, primarily Old Man Beard seeding along the eastern side of the Lagoon.
10. **Continue the rehabilitation of The Pines wetland.**

Again, as with last year, the Pines Wetland water levels have remained high through the winter. This is beneficial for the wetland but has meant that we have been limited to the main trail and Achilles Parade end of the wetland for the woody weed control program.

The forecast for early 2019 is for an El Niño weather which is associated with above average or near average temperatures for New Zealand and below normal or near normal rainfall is forecast for most regions of New Zealand. This should allow us to move in from the periphery of the wetland and complete a significant amount of the willow and pine control before winter.

Wairarapa Forest Landscape have been contracted to complete a $20,000 parcel of willow and weed control commencing 7th January 2019.

11. **Ensure that access and maintenance programmes are in line with strategic plans and priorities and that they are appropriately resourced.**

All access and maintenance programs are in line with strategic plans and priorities and are appropriately resourced.

12. **Ensure all work programmes and maintenance activities are consistent with the Park’s cultural, biodiversity, ecological, and recreation values.**

All programmes and maintenance activities are consistent with the Park’s cultural, biodiversity, ecological, and recreation values.

13. **Provide and maintain a minimum 15 kilometres of walking, cycling, and bridle trails within the park for recreational purposes.**

During July to October 2018, the section of walking, cycling and bridle trails between Woodend Beach and Pegasus Town, the horse trail south of Woodend Beach to The Pines Wetland and the walking/cycling trail between The Pines and Kairaki Beaches were closed for varying periods due to the forestry operations at the park. These closures affected over 6 kilometres of trails. However, the Trust did add additional trails to the network at Pegasus Town along the Kaitihi Ridge and Te Kohanga Wetlands totalling approximately 7 kilometres.

14. **Establish an animal pest control programme at the Pegasus Town WCMA.**

We have also established a trapline the length of the Pegasus Town WCMA (Kaitihi Ridge) consisting of 33 Doc 200 kill traps and 30 bait stations. These traps are managed by 4 separate volunteer family groups. To date a total of 112 animals have been trapped on the Kaitihi Ridge (4 mice, 48 rats, 60 hedgehogs).

We also extended the traplines at the Pegasus Town ECMA (Te Kohanga Wetlands) by an additional 22 Doc 200 kill traps.

15. **Implement Te Kohaka o Tūhāteara Education Strategy**

The Trust has employed a fulltime Ranger Education & Visitor Services to facilitate and develop our education program. Meredith’s employment is the first major component of the Education Strategy to be completed.

We have continued to develop lesson plans for our education program and research opportunities for Management and Geography students at the University of Canterbury.

16. **Complete the development of The Pines and Kairaki Beaches Concept Plan and inclusion of this area into the Tūhāteara Coastal Reserves Management Plan.**

The Pines & Kairaki Beaches Concept Plan was completed early in 2018 and adopted at the June 2018 Trust meeting after extensive consultation with the wider community.
The lands have been ceremonially transferred to the Trust by the Minister for Greater Christchurch Regeneration, however formal gazetting has not been completed at the time of this report. The Trust has been advised by Land Information New Zealand that this will occur early in 2019.

There has also been a hold up in the establishment of draft leases and the Reserves Management Plan consultation process as the Trust and Waimakariri District Council staff work through issues around the proposed land uses and the District Plan. The Trust has been engaging in discussion with WDC staff over the report period regarding the nature of the intent of the land transfer from the Crown to the Trust, consent requirements for non-permanent buildings and lease conditions.

A workshop between the Trust and WDC senior staff and the Mayor is scheduled for the February 2019. It is hoped that this will expedite the inclusion of the lands into Tūhaitara Coastal Park.

17. Complete the inclusion of the Pegasus Town ECMA and WCMA areas into the Tūhaitara Coastal Reserves Management Plan.

Under the Reserve management Plan, the Trust requires the agreement of its Settlor partners for the inclusion of new lands into Tūhaitara Coastal Park.

We have written to both partners and are currently waiting upon a formal response before the inclusion into the Reserves Management Plan is completed.

Public consultation is not required as the management of the lands will be consistent with the existing plan policies.

4. FINANCIAL & RISK

Operational

Operational expenditure is tracking in line with the approved budget. There are no substantial variations.

Capital

To date the Trust has completed the development of a lookout at Tītaepatu Lagoon capital works projects. Additionally, items of capital equipment including two vehicles and an office PC have been purchased.
Investment

Te Kōhaka o Tūhaitara currently has $110,733.15 invested in 3 short term interest accounts to coincide with operational cashflow demands. A proportion of the investment funds are for funded depreciation.

| Investment Account 00881534921003 | $27,588.80 | (matures 11 Feb 2019, 91 days) |
| Investment Account 00881534921002 | $27,299.38 | (matures 14 Jan 2019, 91 days) |
| Investment Account 00881534921004 | $55,844.97 | (matures 22 May 2019, 1 year) |
| Cheque Account 0853-0007757-00 | $123,584.68 | (As at 28 December 2018) |

There are no substantial risks that have been identified at this stage to the achievement of the 2018/19 programme.

Policy

Te Kōhaka o Tūhaitara Trust, under Section 66(1) of the Local Government Act 2002 is required to "Within 2 months after the end of the first half of each financial year, the board of a council-controlled organisation must deliver to the shareholders a report on the organisation’s operations during that half year".

The work of Te Kōhaka o Tūhaitara Trust contributes to the following Waimakariri District Council outcomes:

- There are areas of significant indigenous vegetation and habitats for indigenous fauna;
- Public organisations give effect to the spirit of the Treaty of Waitangi
WAIMAKARIRI DISTRICT COUNCIL

REPORT FOR / DECISION

FILE NO and TRIM NO: GOV-01-05, FIN-01 / 190311031096

REPORT TO: Audit & Risk Committee

DATE OF MEETING: 26 March 2019

FROM: Jeff Millward, Manager Finance & Business Support

SUBJECT: Te Kōhaka ō Tuhaitara Trust - Statement of Intent for the Year ending 30 June 2020

1. SUMMARY

1.1. The purpose of this report is to present the Statement of Intent (SOI) for Te Kōhaka ō Tuhaitara Trust (TKTT) for the year ending 30 June 2019 for consideration by the Audit and Risk Committee.

1.2. Under its delegation the Audit and Risk Committee considers the SOI and provides any comments that it wishes the Trustees to consider in the SOI and any other information in relation to the CCOs.

1.3. TKTT is required to consider the comments from Shareholders (Council & Ngai Tahu) within two months of the 1 March and deliver the completed SOI to the Shareholders on or before 30 June each year. The SOI was received on the 14 February 2019.

1.4. Catherine McMillan (Trust Chair) & Greg Byrnes (General Manager) will be in attendance at the meeting to provide a presentation & speak to the report.

Attachments:

i. Draft Statement of Intent for Te Kōhaka ō Tuhaitara Trust for the year ending 30 June 2019 (TRIM 190314034054)

2. RECOMMENDATION

THAT the Audit Committee:

(a) Receives report No 190311031096.

(b) Receives the Statement of Intent for Te Kōhaka ō Tuhaitara Trust for the year ending 30 June 2020.

(c) Notes that under the Local Government Act 2002, the Audit and Risk Committee may request Te Kōhaka ō Tuhaitara Trust to make changes to the Statement of Intent. Te Kōhaka ō Tuhaitara Trust would consider these changes requested and re-present the Statement of Intent prior to the 30 June.
3. **BACKGROUND**

3.1 TKTT is a Council Controlled Organisations (CCOs) as determined under the Local Government Act (LGA), as the Council appoints 50% or more of the Trustees.

3.2 Under section 64 of the LGA, the CCO must have a Statement of Intent that complies with clauses 9 and 10 of Schedule 8, provided in section 7.2 of this report.

3.3 One of the principal objectives of a control-controlled organisation is to achieve the objectives of its shareholder Council, as specified in the Statement of Intent.

4. **ISSUES AND OPTIONS**

4.1. The Trust provided the draft SOI for comment and a business case to support the Strategic direction of TKTT that encompasses Kairaki, Pines Beach and the Eastern and Western Conservation Management areas.

4.2. The purpose of a SOI is to:

   (a) state publicly the activities and intentions of a council-controlled organisation for the year and the objectives to which those activities will contribute; and

   (b) provide an opportunity for Council, being a shareholder, to influence the direction of the organisation; and

   (c) provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

4.3. The changes recommended to the draft Statement of Intent from the 2018/19 SOI which are:

   1. Amend item 13 from 15km to 20km to acknowledge the addition of the trails in Te Kohanga Wetlands and Kaitiritiri Ridge at Pegasus Town into Tūhaitara Coastal Park.

   2. Remove item 14. “Establish an animal pest control programme at the Pegasus Town WCMA” as the programme has been successfully established.

   3. Remove item 15 “Implement Te Kōhaka o Tūhaitara Education Strategy” as implementation has commenced.

   4. Modify item 16 to 14. “Complete the inclusion of The Pines & Kairaki Beaches regeneration lands into the Tūhaitara Coastal Reserves Management Plan”. This is because the Concept Plan has been completed and adopted. Additionally, there are ongoing delays in the gazetting of the lands and agreement with Waimakariri District Council on the Crowns intention for the use of the lands by Te Kōhaka o Tūhaitara Trust.

   5. Remove 17. “Complete the inclusion of the Pegasus Town ECMA and WCMA areas into the Tūhaitara Coastal Reserves Management Plan” as this should be completed by the end of the current financial year.

4.4. The Audit and Risk committee have the option to:

   4.4.1. Accept the SOI as presented;

   4.4.2. Request TKTT to consider amending the SOI, in which case TKKT would consider these changes and is required to under the Act to represent the SOI to Council prior to 30 June;

4.5. The Management Team has reviewed this report and supports the recommendations.
5. COMMUNITY VIEWS

5.1. Groups and Organisations
Not specifically sought, however the performance measures include reporting requirements to the other settlor, Te Runanga o Ngāi Tahu through Te Ngāi Tūahuriri Runanga.

5.2. Wider Community
The objectives and measures are reported within annual plans and the draft LTP/Annual Plans to be adopted in June and are reported to within the Annual Report.

6. IMPLICATIONS AND RISKS

6.1. Financial Implications
6.2. The Council has budget provision in the 2019/20 year of Draft LTP totalling $247,924 (2018/19:$243,390) consisting of:

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<thead>
<tr>
<th>Activity</th>
<th>2018/19</th>
<th>2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Grant, including audit fees</td>
<td>204,120</td>
<td>207,794</td>
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<tr>
<td>Directors insurance</td>
<td>5,450</td>
<td>5,570</td>
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<tr>
<td>Meeting fees</td>
<td>2,750</td>
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<td>Lease - Camp</td>
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<tr>
<td>Lease - Forestry</td>
<td>21,070</td>
<td>21,530</td>
</tr>
<tr>
<td>Total</td>
<td>243,390</td>
<td>247,924</td>
</tr>
</tbody>
</table>

6.3. The Council also provides for the accounting, payroll and administrative services for the Trust.

6.4. Community Implications
6.5. The Statement of Intent provides the opportunity for Council to participate with setting direction, objectives, and the accountability measures the Trust will use to communicate its activities to Council.

6.6. Risk Management
n/a

6.7. Health and Safety
n/a

7. CONTEXT

7.1. Policy
This matter is not a matter of significance in terms of the Council's Significance and Engagement Policy.

7.2. Legislation
The following are some relevant extracts from Schedule 8 of the Local Government Act 2002:

1 Purpose of statement of intent

The purpose of a statement of intent is to—
(a) state publicly the activities and intentions of a council controlled organisation for the year and the objectives to which those activities will contribute; and
(b) provide an opportunity for shareholders to influence the direction of the organisation; and
(c) provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

2 Statements of intent for council-controlled organisations

The board of a council-controlled organisation must deliver to its shareholders a draft statement of intent on or before 1 March each year.

3 Completion of statements of intent

The board must—
(a) consider any comments on the draft statement of intent that are made to it within 2 months of 1 March by the shareholders or by any of them; and
(b) deliver the completed statement of intent to the shareholders on or before 30 June each year.

4 Modifications of statements of intent by board

The board may, by written notice, modify a statement of intent at any time if the board has first—
(a) given written notice to the shareholders of the proposed modification; and
(b) considered any comments made on the proposed modification by the shareholders or by any of them within—
(i) 1 month after the date on which the notice under paragraph (a) was given; or
(ii) any shorter period that the shareholders may agree.

5 Modifications of statements of intent by resolution of shareholders

(1) Despite any other provision of the Act or of the constitution of any council-controlled organisation, the shareholders of a council-controlled organisation may, by resolution, require the board to modify the statement of intent by including or omitting any provision or provisions of the kind referred to in clause 9(1)(a) to (i), and any board to whom notice of the resolution is given must comply with the resolution.
(2) Before giving notice of the resolution to the board, the shareholders must consult the board concerned as to the matters to be referred to in the notice.

6 Statement of intent required if exemption granted under section 7 revoked

If an exemption granted under section 7 is revoked, the council-controlled organisation must,—
(a) if there is more than 6 months remaining in the financial year, prepare a statement of intent for that financial year; or
(b) if there is not more than 6 months remaining in the financial year, prepare a statement of intent for the following financial year.

7 Obligation to make statements of intent available

A completed statement of intent and each modification that is adopted to a statement of intent must be made available to the public by the board within 1 month after the date on which it is delivered to the shareholders or adopted, as the case may be.

8 Savings of certain transactions

A failure by a council-controlled organisation to comply with any provision of this schedule or with any provision in a statement of intent does not affect the validity or enforceability of any deed, agreement, right, or obligation entered into, obtained, or incurred by that organisation.

9 Contents of statements of intent

A statement of intent must, to the extent that is appropriate given the organisational form of the council-controlled organisation, specify for the group comprising the council-controlled organisation and its subsidiaries (if any), and in respect of the financial year immediately following the financial year in which it is required by clause 3(b) to be delivered and each of the immediately following 2 financial years, the following information:
(a) the objectives of the group; and
(b) a statement of the board’s approach to governance of the group; and
(c) the nature and scope of the activities to be undertaken by the group; and
(d) the ratio of consolidated shareholders’ funds to total assets, and the definitions of those terms; and
(e) the accounting policies of the group; and
(f) the performance targets and other measures by which the performance of the group may be judged in relation to its objectives; and
(g) an estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders; and
(h) the kind of information to be provided to the shareholders by the group during the course of those financial years, including the information to be included in each half-yearly report (and, in particular, what prospective financial information is required and how it is to be presented); and
(i) the procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation; and from any local authority (whether or not the local authority has agreed to provide the compensation); and
(k) the board’s estimate of the commercial value of the shareholders’ investment in the group and the manner in which, and the times at which, that value is to be reassessed; and
(l) any other matters that are agreed by the shareholders and the board.
(2) If a council-controlled organisation has undertaken to obtain or has obtained compensation from its shareholders in respect of any activity, this undertaking or the amount of compensation obtained must be recorded in—
(a) the annual report of the council-controlled organisation; and
(b) the annual report of the local authority.
(3) Any financial information, including (but not limited to) forecast financial information, must be prepared in accordance with generally accepted accounting practice.

7.3. Community Outcomes

The work of Te Kohaka o Tuhaitara Trust contributes to the outcomes that:

- Public spaces and facilities are plentiful, accessible and high quality;
- There are wide ranging activities for enjoying the outdoors;
- Public Organisations give effect to the spirit of the Treaty of Waitangi;
- The community’s cultures, arts and heritage are conserved and celebrated;
- People have a wide ranging opportunities for learning and being informed;
- People are friendly and caring, creating a strong sense of community in our district;
- There are wide ranging opportunities for people to contribute to the decision-making by public organisations that affects our District.

7.4. Delegations

The Audit and Risk Committee has the jurisdiction to “review annually draft performance agreements, including Statement of Corporate Intent of the Council-controlled organisations and recommend adoption to Council” (Delegation S-DM 1022).

Jeff Millward
Manager Finance & Business Support
INTRODUCTION

Te Kōhaka o Tūhaitara Trust is a creation of Statute under the Ngāi Tahu (Tūtaepatu Lagoon Vesting) Act 1998, that gave effect to certain provisions of the Deed of ‘On Account Settlement’, signed on 14 June 1996 by the Crown and Te Runanga o Ngāi Tahu as representative of Ngāi Tahu, -

(a) By vesting Tūtaepatu Reserve in Te Runanga o Ngāi Tahu; and
(b) By providing for the establishment of a recreation reserve at Woodend.

Tūtaepatu Lagoon is defined in Schedule 1 of the Act; and the recreational lands are defined in schedule 2 of the Act.

The Act required the Waimakariri District Council and Te Runanga o Ngāi Tahu (The Settlors) to establish a Trust to manage and administer the reserves. By a Deed, dated 31 August 1998, the Settlors established a charitable Trust known as Te Kōhaka o Tūhaitara Trust, whereby the trustees shall be 3 appointed by the Waimakariri District Council and 3 from Te Runanga o Ngāi Tahu. The Ngāi Tahu (Tūtaepatu Lagoon Vesting) Act 1998 provides the legal mechanism for this to be achieved.

Te Kōhaka o Tūhaitara Trust is a Council Controlled Organisation (CCO) under the Local Government Act 2002, because the Council appoints half of the trustees.

Accordingly, the Trust must prepare an annual Statement of Intent and meet certain reporting requirements under the Local Government Act.

The purpose of the Statement of Intent is to specify the purpose, direction and objectives of the Trust and thereby providing an accountability mechanism for the operation of the Trust.

THE OBJECTS OF THE TRUST

The object of the Trust is to manage and administer the Reserve under the management plan prepared in accordance with the Trust Deed for so long as the Reserve is classified as a Recreation Reserve pursuant to the Reserves Act.

NATURE AND SCOPE OF ACTIVITIES

Tūhaitara Coastal Park covers approximately 575ha of land along the coastline from the Waimakariri River mouth to Waikuku Township. Stretching along the coast for 10.5 kilometres it comprises many natural features of local, regional and national importance to the people of New Zealand. As a coastal park it will provide a range of opportunities to preserve Ngāi Tahu values, retain and enhance biodiversity, and provide recreational and educational opportunities for all people.

The Minister of Conservation has appointed the Trust as a local authority for the purpose of the Reserves Act 1977.

The Trust has commenced implementation of the adopted Management Plan.
The Reserves Act does not apply to the Tūtaepatu Lagoon, although the Tūhaitara Coastal Park and Waikuku Beach Reserves Management Plan does. Part B Waikuku Beach Reserve, which is administered by the Waimakariri District Council, is a separate Reserve but is also subject to the Reserve Management Plan as the land is contiguous.

GOVERNANCE ARRANGEMENTS

The Trust’s policies and objectives are detailed in the Tūhaitara Coastal Reserve Management Plan. The Statement of Intent is the Trust’s annual work programme aimed at meeting the vision To create a coastal reserve which is founded on and expresses strong ecological, conservation and cultural values and provides opportunity for compatible recreation and education activities for all people of New Zealand and to uphold the mana of Ngai Tahu Whanui by protecting and enhancing the mahinga kai values of Tūtaepatu lagoon.

The Trust is required to meet at least twice per year to provide governance over the Trust’s activities, and copies of minutes are distributed to the Settlors. The Trust meets monthly to ensure that the expectations required by the management plan are realised.

All staff, volunteer and contractors working in the Tūhaitara Coastal Park are required to comply with the Te Kōhaka o Tūhaitara Trust Coastal Park Health and Safety Plan.
OBJECTIVES & PERFORMANCE TARGETS 2019 -2020

All of the listed performance targets will be prioritised and evaluated with consideration to the success in obtaining external funding and the needs of our adjoining communities.

The Trust will:

1. Manage and administer the Reserve in accordance with the approved Reserve Management Plan.
2. Ensure all reporting mechanisms to the Settlors are timely and within their statutory timeframes.
3. Ensure that the health and safety and employment conditions of Trust staff, contractors, and visitors meet relevant legislation.
4. Ensure concessions for events and other activities on Trust land will have Health and Safety Plans and Public Liability Insurance. (Note: Concessions are not just for events, but can be for ice cream vehicles, coffee vehicles, and research activities; they are a mechanism to control all activities.)
5. Ensure that lease agreements are compatible with the Reserve Management Plan and finalised where necessary to maximise the revenue potential for the Trust.
6. Promote the cultural significance and history of the land. and ensure this is reflected in new programmes.
7. Maximise the opportunities for additional partnerships and sustainable funding to continue with the rehabilitation of Tūhaitara Coastal Park.
8. Develop two performing biota nodes to progress the long-term goal of indigenous coastal forest along the length of the Tūhaitara Park.
9. Continue the rehabilitation of Tūtaepatu Lagoon.
10. Continue the rehabilitation of The Pines wetland.
11. Ensure that access and maintenance programmes are in line with strategic plans and priorities and that they are appropriately resourced.
12. Ensure all work programmes and maintenance activities are consistent with the Park’s cultural, biodiversity, ecological, and recreation values.
13. Provide and maintain a minimum 20 kilometres of walking, cycling, and bridle trails within the park for recreational purposes.
INFORMATION TO BE PROVIDED TO THE SETTLORS

The Trust shall present:

- A six monthly report on the Trust’s activities shall be provided, in accordance with the Local Government Act 2002, on the financial performance and position and its progress towards the Performance Targets and other Measures contained in the Statement of Intent.
- An Annual Report shall be prepared in accordance with the Local Government Act 2002, and the reporting requirements prescribed from time to time by the Settlors.
- Copies of the minutes of meetings.
- The MOU between the Trust and the WDC sets out the partnership and requirements.
- Ngāi Tahu have informed the Trust that it should report directly to Ngāi Tūahuriri Runanga which will be done quarterly.

OTHER REQUIREMENTS

Ratio of Trustee Funds to Total Assets

The ratio of Trust Funds to Total Assets shall be maintained at a minimum of least 90%.

- **Trust Funds** means the retained earnings of the trust as at balance date.
- **Total Assets** means all current and non-current assets of the Trust as at balance date.

Profits and Financial Reserves to be Distributed

The Trust will not distribute any profits or financial reserves during the financial year.

Interests in Other Organisations

The Trust will not purchase or accept an ownership interest in any other organisation, without the prior approval of the Settlors.

Commercial Value of the Trust

The Trustees’ estimate of the value of the Trust is the level of retained earnings shown in the latest audited financial statements. The Trustees will consider the Trust’s value annually as part of the preparation of the Annual Report.

Activities the Trust is Seeking Compensation from the Council

The Council provides administrative support and financial management for the Trust and compensates the three Council appointed trustees with meeting allowances. From time to time the Trust may request the Council to assist the Trust by contributing to various projects on the Trust land. Other than in these circumstances, there are no activities that the Trust is seeking compensation from the Council, other than for any land leased to the Council, which will be on normal commercial terms and conditions.

Accounting Policies

Refer to Appendix 1
Appendix 1

STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY AND STATUTORY BASE
Te Kōhaka o Tūhaitara Trust is a Trust established to manage and administer the Recreation Reserve contained in the deed of interest of Ngāi Tahu Whanau and other New Zealanders in terms of the Reserves Act 1977.

The financial statements will be prepared in accordance with New Zealand Generally Accepted Accounting Practice.

MEASUREMENT SYSTEM
The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Trust.

ACCOUNTING POLICIES
The following specific accounting policies that materially affect the measurement of financial performance and financial position are applied:

(a) Fixed Assets
Fixed assets are recorded at valuation deemed appropriate at the time of transfer, by Quotable Value New Zealand. Valuation was based on a fair market value. Depreciation is recognised in the Statement of Financial Performance on a straight line basis over the estimated life of each part of an item of property, plant and equipment. The estimated useful life for the current and comparative periods are as follows:
Property, plant and equipment 3-40 years.

(b) Goods and Services Tax (GST)
The Trust is registered for GST. The financial statements are prepared exclusive of GST, with the exception of receivables and payables, whose invoices include GST.

(c) Receivables
Receivables are stated at expected realisable value, after a provision (if any) for doubtful balances.

(d) Differential Reporting
The Trust qualifies for Differential Reporting. Full advantage will be taken of all differential reporting exemptions.

CHANGES IN ACCOUNTING POLICIES
There have been no changes in accounting policies.

The Trust changed in June 2015 to report under Public Benefit SFR-A basis replacing New Zealand equivalents to International Financing Reporting Standards (NZIFRS) and differential reporting.
WAIMAKARIRI DISTRICT COUNCIL

REPORT FOR INFORMATION

FILE NO and TRIM NO: INF-49 / 190226022048

REPORT TO: Audit and Risk Committee

DATE OF MEETING: 26 March 2019

FROM: Jolanda Simon (CIO), David Sewell (ICT Team Leader)

SUBJECT: Cyber Security – Quarterly status report

1. SUMMARY

1.1 This report updates the Committee on the Cyber Security work programme through the Quarterly Cyber Security Status report.

1.2 A penetration test was done on the entire network in December 2018 and the recommendations from the penetration test are being worked through at the moment.

1.3 Most of the issues (90%) found in the penetration test relate to our SCADA which monitors and controls our water supplies. The ICT team is working with the 3 Waters team (in particular the Control Systems Engineer) and Lateral Security to remedy the security issues relating to SCADA.

1.4 Of the other 10% of issues about half have been resolved already and the rest is being worked through. Items of work include reviewing the current WiFi system, implementing multi-factor authentication, and network segregation of the SCADA network so it’s separate from the main network. These items of work are currently underway and will be finalised within the next 6 months.

1.5 The programme of work identified (gap initiatives) from the Deloitte report is due to be completed in time and within approved budget.

Attachments:
(i) Quarterly Cyber security report 1 February 2019 (TRIM 190207013810)

2. RECOMMENDATION

THAT the Audit and Risk Committee:

(a) Receives report No. 190226022048.

(b) Notes progress of the work programme is on target and within budget.

(c) Notes Council is sourcing appropriate Cyber Security insurance with cyber insurance to be tendered and in place before 25 June 2019.
3. BACKGROUND

3.1. As part of the Canterbury Shared Services Deloitte has done a Cyber Security Review for seven of Canterbury regional and district Councils. One of the recommendations from the Deloitte review was to have regular reporting to Management Team and Audit & Risk committee on IT Risks and Cyber Security Risks. The attached Quarterly Security Status report will be presented to the Audit and Risk committee at each meeting.

4. ISSUES AND OPTIONS

4.1. As per the previous quarter there were no major or minor security incidents this quarter.

4.2. Average Patch Management compliance this quarter for workstations and servers is 83% which is lower than the 92-96% achieved last quarter. This is due to having a number of laptop devices designated for Business Continuity Planning (BCP). While BCP devices are patched when they are connected to the network and turned on, they don’t usually report patching status as often as other devices which are connected to the network on daily basis. All Servers achieved 100% patching compliance for this quarter, up from 96% previous quarter.

4.3. Anti-virus signatures used are FIVE days old or less for 100% of servers and 90% of workstations, which is the same as the previous quarter.

4.4. On the 21st December 2018 Lateral Security conducted a penetration test which identified a number of issues related to Outdated Software components, Unencrypted Services, and unauthenticated Network shares. The recommendations from the penetration test are being worked through at the moment.

4.5. Most of the issues (90%) found in the penetration test relate to our SCADA which monitors and controls our water supplies. The ICT team is working with the 3 Waters team (in particular the Control Systems Engineer) and Lateral Security to remedy the security issues relating to SCADA.

4.6. Some of the pieces of work to lift SCADA (and building management systems (BMS) security will be segregating/isolating the SCADA/BMS network from our computer network, removing administrator level access, bringing all SCADA/BMS systems up to date wherever practical, and establishing operational and system management processes within the SCADA environment that reflect the well-established processes within the Information and Technology Services department.

4.7. The programme of work identified (gap initiatives) from the Deloitte report is due to be completed in time and within approved budget:
5. COMMUNITY VIEWS

5.1. Groups and Organisations

N/A

5.2. Wider Community

Introducing better security and protocols will provide assurance to Stakeholders that their information is secure and more unlikely to be unduly accessed.

6. IMPLICATIONS AND RISKS

6.1. Financial Implications

6.2. Costs for implementing the Deloitte recommendations are related to staff time and will be undertaken within current budgets and resources.

6.3. Penetration tests ($20K) are allowed for annually in the approved Annual Plan budget.

6.4. Community Implications

6.5. Risk Management

The number one weak link for businesses when it comes to cyber security—by FAR—is the people who work in the business.

6.6. Cyber security is no longer just a technology risk, it’s now identified as a major risk to businesses as a whole. Various measures can be implemented to lessen the likelihood of the risk, but it will remain High Risk overall.

6.7. We are seeking cyber insurance and our requirements relating to Cyber Insurance have been documented in a Request for Quote document.
6.8. The Association of Local Government Information Managers (ALGIM) was investigating providing a cyber-insurance offering for the entire local government sector. This has not progressed due to the different risk profiles each council may have if involved in a group scheme. This means each council needs to address their own cyber-insurance.

6.9. The Governance Manager is working with our insurance brokers to get insurance proposals, once these have been received and reviewed this will be reported back to Council.

6.10. **Health and Safety**

6.11. N/A

### 7. CONTEXT

#### 7.1. Policy

This matter is not a matter of significance in terms of the Council's Significance and Engagement Policy.
7.2. Legislation N/A
7.3. Community Outcomes N/A
7.4. Delegations N/A

Jolanda Simon
CIO