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# Ōtākaro Limited

## Statement of Intent

*For Financial Years 2018 to 2022*

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### INTRODUCTION

This Statement of Intent (SOI) is submitted by the Board of Directors of Ōtākaro Limited (Ōtākaro), pursuant to the Crown Entities Act 2004. It sets out the Strategic Objectives for Ōtākaro Limited (Ōtākaro) and how Ōtākaro will achieve those Objectives for the period 1 July 2017 to 30 June 2022.



**ROSS G BUTLER**  
Chairman



**PETER TOWNSEND**  
Director

30 June 2017

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## STRATEGIC OBJECTIVES

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

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## NATURE AND SCOPE

### Nature

Ōtākaro is a Crown Company established on 16 April 2016 under Schedule 4A of the Public Finance Act to take over specific functions of the Canterbury Earthquake Recovery Authority (CERA).

The Company's Board uses governance best practices to make efficient and effective decisions with a commercial focus.

### Scope

Ōtākaro is required to deliver defined Anchor Projects and a land divestment programme that is consistent with the Christchurch Central Recovery Plan (CCRP). It does so in a way that ensures it is viewed as a credible market participant.

The overarching responsibilities of Ōtākaro include:

- Delivery of defined Anchor Projects by providing procurement, design management and construction management services on behalf of the Crown;
- Providing programme governance, including risk, cost and schedule management;
- Divestment of Crown owned land in central Christchurch that balances a good commercial outcome against regeneration objectives;
- Divesting the Residential Red Zone (if transferred); and
- Acting in a manner consistent with recovery plans and any regeneration plans.

### Risk Appetite and Management

The activities of Ōtākaro are undertaken under robust processes, using sound judgement and effective communication.

The Board and Management encourage a culture that is risk aware, and the Company seeks to understand and mitigate risk where it is identified.

Ōtākaro maintains an active and regularly updated register of strategic and operational risks, managing these risks through an agreed process, and with oversight from both Management and the Board.

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## GOVERNANCE

Ōtākaro manages its functions and operations in a way that is consistent with the Company's strategy, as set by the Board. The Board provides strategic direction to the Chief Executive to ensure decisions are made in the interests of the people of Christchurch and the Crown.

The Board provides the governance and assurance that Management is delivering the expected outputs. The Chief Executive has appointed an Executive Leadership Team to assist in providing supervision and oversight of the day-to-day operational activities of the Company.

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## FUNCTIONS AND OPERATIONS

The organisation has five core teams. The Project Development Team is focused on the delivery of Anchor Projects. The Strategy and Property Opportunities Team is focused on land opportunities and divestment. These functions are supported by the Corporate Services, General Counsel/Legal and Communications and Stakeholder Engagement Teams.

The Company's activities are guided by policies and procedures that ascribe to good corporate discipline, with clear links to the Ōtākaro Purpose and to the Company's Strategic Objectives. In addition, the Company's Values and Behaviours support the delivery of its Purpose and Objectives.

### **Adaptability**

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

### **Disestablishment and Transition to Ongoing Operations**

Ōtākaro will exist until the projects it is responsible for are delivered and land is divested. Based on current expectations, the Company's existence is forecast to be no longer than seven years from establishment.

For projects that have operational aspects that extend beyond the seven-year horizon (e.g., the Christchurch Convention and Exhibition Centre), Ōtākaro will consider how best to manage its disestablishment and the transition to an operating entity that will be structured to deliver any outstanding activities.

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## ORGANISATIONAL HEALTH AND CAPABILITY

### **Ōtākaro Values and Behaviours**

Ōtākaro continues to strengthen its organisational culture to guide all Company activities. This culture is underpinned by specific, straightforward Values and the Behaviours expected of all Personnel in undertaking their tasks.

The Values are expressed as:

- Keep It Simple
- Make It Happen
- Do What Is Right

By working with its Personnel, specific Behaviours have been defined to "model" and to support the Ōtākaro Values. These Behaviours include:

- Acting with purpose, and staying focused;
- Doing things efficiently;
- Communicating clearly, consistently and concisely;
- Considering the audience;
- People knowing and playing their part;
- People doing what they say they will do;
- Being innovative;
- Doing things promptly, but properly;

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“As a Crown Company operating in a construction environment, Ōtākaro intends be a leader of Health and Safety and in ensuring compliance with the Health and Safety at Work Act 2015.”

- Acting with integrity and respect;
- Supporting one another;
- Making the “tough” calls when necessary; and
- Being professional and “down to earth”.

#### **Health and Safety**

Ōtākaro has zero tolerance for anything that endangers the health, safety and wellbeing of people. As a Crown Company operating in a construction environment, Ōtākaro intends be a leader of Health and Safety and in ensuring compliance with the Health and Safety at Work Act 2015.

Ōtākaro is committed to a culture that holds safety as a core part of the Company’s identity. The Company does this through:

- The Board and Management modeling behaviors that it expects from the staff and its contractors;
- Establishing best practice health and safety approaches in the field and in the office environment, monitoring adherence to these practices and taking immediate corrective actions, if required; and
- Ensuring that the Company, and those who are working for the Company, meet all health, safety and environmental regulatory obligations.

#### **Capability Development**

Ōtākaro supports its staff to achieve the Company’s Objectives and Purpose by:

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

#### **Ōtākaro as a Good Employer**

The successful delivery of the Anchor Projects and the Crown’s central Christchurch land divestment objectives depends on the technical, commercial, financial and investment/divestment expertise of Ōtākaro. It is important that the Company attracts and retains skilled staff, is a good employer and offers an attractive place to work, with a culture that is valued by employees and supports the Company to deliver on its Strategic Objectives and Purpose.

Consistent with the State Services Commission Guidance on Expectations for Pay and Employment Conditions in the State Sector, Ōtākaro employment policies aim to ensure that the Company respects its equal-opportunity responsibilities.

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## OTHER STATUTORY REPORTING REQUIREMENTS

### Governance

#### *Organisation Form*

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

Its shareholders are the Minister of Finance and the Minister supporting Greater Christchurch Regeneration, who each hold 50% of the share capital.

#### *Board of Directors*

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

The Board has an Audit and Risk Committee to help Directors carry out their duties and fulfil their responsibilities. It provides recommendations, counsel and information on accounting, reporting, risk management and responsibilities under legislation. The Committee's Terms of Reference also cover the role of oversight of internal audit.

As a company established under Schedule 4A of the Public Finance Act 1989, there are additional legal obligations for Ōtākaro Directors to satisfy, in addition to those specified by the Companies Act.

The Chief Executive, who is accountable to the Board, has responsibility for the management, operation and administration of Ōtākaro. The Company has in place a suite of policies that underpin its business strategies, objectives and mandate, and which provide a link to day-to-day Company operations.

#### *Shareholding Ministers*

Ōtākaro maintains regular liaison with key officials and engages with Shareholding Ministers, as required. Ōtākaro is open and proactive, and cooperates with The Treasury, who monitor the Company's commercial and financial performance, and the Department of the Prime Minister and Cabinet (DPMC), who monitor the contribution of Ōtākaro to regeneration outcomes.

Ōtākaro operates in accordance with the relevant expectations set out in The Treasury's Owners Expectations Manual, particularly in regard to operating in a financially responsible manner, following the "no surprises" policy, adhering to thresholds requiring Ministerial consultation and in responding to Official Information Act (OIA) requests. The Constitution of Ōtākaro also requires that the Shareholders must approve all Major Transactions (i.e., those transactions in excess of \$25m).

Ōtākaro also complies with Cabinet Office Circular Investment Management and Asset Performance in the State Services (CO (15) 5), as a Tier 2 Investment Intensive Agency.

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### **Crown Entities Act Requirements**

Ōtākaro is subject to various sections of the Crown Entities Act, as set out in its Constitution, including the collective duties of the Board to the Crown and Shareholding Ministers, Crown entity subsidiaries, interface with the Companies Act 1993, directions from Ministers to support a whole of government approach or under statute, provision of information, employment; and restrictions on financial products, as well as borrowing and giving of guarantees and indemnities.

### **Other Statutory Requirements**

Under the Public Audit Act 2001, the Controller and Auditor General is the auditor of Ōtākaro. Ōtākaro also has a role under the Greater Christchurch Regeneration Act 2016 in representing the Crown's interests in the Christchurch Residential Red Zone areas.

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## **ADDITIONAL INFORMATION**

Ōtākaro works pro-actively, transparently and collaboratively with the Christchurch City Council, Regenerate Christchurch, Development Christchurch Ltd and Matapopore Charitable Trust (as mandated representatives of Te Ngai Tuahuriri Runanga) with respect to and for the purposes set out in its Letter of Expectations.

### **Appendix – List of Anchor Projects**

The Anchor Projects that Ōtākaro is responsible for, including those that deliver new public open spaces in the central city, include:

- Canterbury Earthquake National Memorial (completed);
- Te Papa Ōtākaro / Avon River Precinct, North Frame, and Margaret Mahy Family Playground;
- East Frame Public Realm and Residential Precinct;
- South Frame Public Realm;
- An Accessible City;
- Convention Centre Precinct;
- Metro Sports Facility;
- Stadium Precinct; and
- Bus Interchange (completed)