



CROWN INFRASTRUCTURE PARTNERS LIMITED

Statement of Performance Expectations

1 July 2018 – 30 June 2019

June 2018

Presented to the House of Representatives

pursuant to the Crown Entities Act 2004

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1. Introduction

This Statement of Performance Expectations (**SPE**) is submitted by the Board of Directors of Crown Infrastructure Partners Limited (**CIP**), pursuant to the Crown Entities Act 2004. It sets out the performance expected of CIP for the period 1 July 2018 to 30 June 2019.

Statement of responsibility

CIP is responsible for the statements contained in this document, including the appropriateness of the business assumptions underlying them. CIP is also responsible for internal control systems that provide reasonable assurance as to the integrity of its financial reporting.



Simon Allen
Chair
30 June 2018

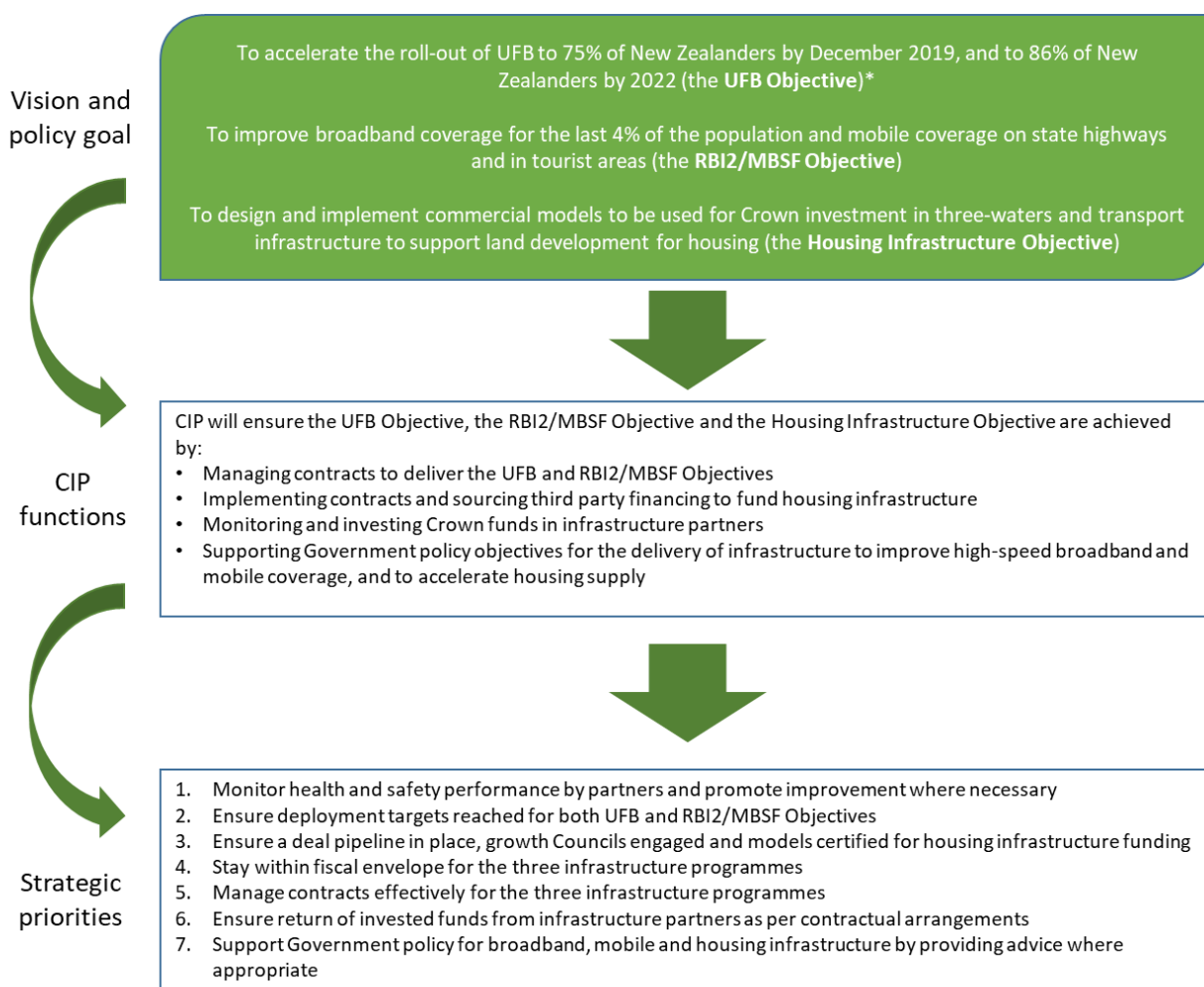


Keith Tempest
Director
30 June 2018

2. CIP’s purpose, objectives, scope and outputs for fiscal year 2019

2.1 CIP’s purpose and objectives

The key purpose and objectives of CIP are to implement the Government’s Ultra-Fast Broadband (**UFB**)¹ policy (the **UFB Objective**), the Rural Broadband Initiative extension and Mobile Black Spot Fund programme (the **RBI/MBSF Objective**) and bulk housing infrastructure (**BHI**) financing (the **Housing Infrastructure Objective**):



* NB: CIP is responsible for the roll-out of UFB to 86% of the population by 2022, with the remaining 1% being private fibre that CIP is not responsible for.

CIP’s Statement of Intent for July 2018 to June 2022 outlines CIP’s vision, strategic priorities and functions to achieve the UFB Objective, the RBI2/MBSF Objective and the Housing Infrastructure Objective.

¹ For the purposes of the UFB initiative, UFB means a broadband service making available a minimum uncontested 100 megabits per second (Mbps) downstream (from the Internet to the user) and 50 Mbps upstream (from the user to the internet), capable of being upgraded to 10 times these speeds.

3. CIP's reportable outputs

Section 3 describes CIP's outputs for the period from 1 July 2018 to 30 June 2019, which are reportable under section 149E(1)(a) of the Crown Entities Act 2004. CIP's performance targets for fiscal year 2019 relate to UFB deployment, progress of RBI2 and MBSF initiatives, UFB installation, bulk housing infrastructure contracting, and financial and operational efficiency. Performance on these measures will be reported in CIP's Annual Report.

In addition, CIP monitors the operational and service performance of its UFB and RBI2/MBSF contractual partners (**Partners**), as described in Section 4. These matters are the responsibility of each Partner; CIP's role is to monitor performance to ensure that contractually agreed service levels are met. Accordingly, these matters are regarded by CIP as non-reportable outputs for fiscal year 2019 under section 149E(1)(c) of the Crown Entities Act.

3.1 UFB deployment

CIP's performance targets for UFB deployment									
	Fiscal Year	Fiscal 2017		Fiscal 2018		Fiscal 2019		Fiscal 2023 ²	
		To Jun 2017		To Jun 2018		To Jun 2019		To Dec 2022	
		Actual (#000)	% Completed	Plan (#000)	% Completed	Plan (#000)	% Completed	Plan (#000)	% Completed
1	Number of UFB premises handed over by Partners to CIP or the applicable Local Fibre Company (LFC) under UFB	900	63%	1,050	73%	1,205	84%	1,434	100%
2	The number of broadband end users (such as households and businesses) able to connect to UFB	1,185	65%	1,371	75%	1,559	86 ³ %	1,818	100%

This class of outputs tracks CIP's progress towards the achievement of the UFB Objectives.

CIP's performance in terms of the number of premises handed over is based on the number of premises handed over by the Partners, a verifiable and audited measure. CIP's performance in terms of the number of end users (such as households and businesses) able to connect to UFB is measured by CIP and its UFB Partners using a geospatial dataset.

² Shows complete programme.

³ CIP is responsible for the roll-out of UFB to 86% of the population by 2022; the remaining 1% is private fibre that CIP is not responsible for.

3.2 Successful and timely installation of UFB

CIP works with its Partners to ensure that UFB is being successfully delivered. As well as the contractual service levels measuring Partners' performance, which follow in Section 4, the three measures that CIP will focus on improving with Partners for fiscal 2019 are:

	CIP's performance targets for UFB installation	CIP targets/objectives
1	Average days to connect to UFB for a Residential Single Dwelling Unit (essentially, a typical NZ household)	Equal to or better than a weighted average of 25 calendar days
2	Overall average days, including all classes of installation	Equal to or better than a weighted average of 40 calendar days
3	End user satisfaction with UFB installation	Equal to or better than a weighted average of 75% satisfied with installation

Average days to connect is measured by each Partner, and is the average completion of orders measured from the date received and accepted by the Partner to the date the residential end user's wholesale service is installed and commissioned. End user satisfaction with the UFB installation is measured by each Partner through surveys of a sample of end users who have recently had UFB installed.

3.3 RBI2 and MBSF programme

	CIP's performance targets for, RBI2 and MBSF	CIP targets/objectives	Total programme ⁴
		Fiscal 2019	By end of December 2022
1	Contracted Rural End Users to receive improved Broadband	7,238	43,101 ⁵
2	Contracted Mobile Black Spot and tourist sites covered	9	95 ⁶
3	Contracted Mobile Black Spot highway kilometres covered	190	892 ⁷
4	Percentage of budget spent	10%	33%

⁴ Note that once the RBI2/MBSF expansion contracts are agreed, the total programme targets will be adjusted.

⁵ These end users are grant funded; the Mobile Network Operators (MNOs) will cover a further 31,407 end users commercially without any Government funding.

⁶ Unfunded commercial MNO coverage includes 13 tourism sites; total MNO and CIP coverage will be 108 tourism black spots.

⁷ Unfunded commercial MNO coverage includes 149 km of state highways; total MNO and CIP coverage will be 1,041 km of state highways.

3.4 Bulk housing infrastructure

	CIP bulk housing infrastructure performance targets	CIP targets/objectives
1	One contract completed for BHI	By end of calendar year 2018
2	Key projects identified with growth councils ⁸ for targeted funding	By end of fiscal 2019

Measures have not yet been developed for the housing infrastructure programme; these will be established once contracts have been executed. Measures are likely to include the timeliness of the deployment of bulk housing infrastructure, and the number of associated residential and commercial lots being released to market for sale that the infrastructure would support.

3.5 Financial and operational efficiency

Each year the CIP Board, in conjunction with its shareholding Ministers and the relevant policy Ministers, plans CIP's future level of resourcing, which depends on the:

- overall progress made towards achieving the UFB Objectives as well as, in due course, the RBI2/MBSF Objectives, and the Housing Infrastructure Objectives;
- Partners' performance in satisfactorily meeting their contractual obligations for infrastructure deployment and, where relevant, operations; and
- degree to which the Crown investment is actively monitored, based on the current level of risk and the level of support required by the Government.

CIP expects to see steady improvements in its operational efficiency. The ratio of operational costs to its annual investment is expected to decline over time, noting there is an increase in fiscal 2018 as BHI operational cost is incurred before any investment is made in infrastructure.

⁸ Growth councils are Auckland, Hamilton, Tauranga city councils and the town of Queenstown in the Queenstown Lakes District.

CIP's performance targets for financial and operational efficiency				
Fiscal Year	Fiscal 2017 Actual	Fiscal 2018 Forecast	Fiscal 2019 Forecast	Comment
CIP funding per premises handed over UFB	\$1,117	\$1,148	\$1,422	Measures level of CIP funding for each premises handed over
Percentage of UFB Objective completed	63%	73%	84%	Measures progress towards target of 86% population coverage for UFB and percentage of fiscal envelope utilised
Percentage of fiscal envelope invested (UFB)	60%	69%	85%	
CIP operational cost as percentage of annual investment/grants	5%	6%	5%	Measures CIP's efficiency over time against annual investment. There is an increase to 6% in fiscal 2018 due to the impact of BHI operational expense

The percentage of the UFB Objective completed is tracked in terms of end users able to connect, which is closely aligned to the level of New Zealand's actual population with access to UFB.

Financial statements outlining CIP's planned operational expenditure for fiscal year 2019 can be found in Section 7.

4. UFB and RBI2/MBSF Partners' operational and service performance

CIP monitors the operational and service performance of the Partners as described in this section. This is the Partners' responsibility; CIP's role is to monitor performance to ensure that contractually agreed service levels are being met.

4.1 UFB and RBI2/MBSF service performance

The minimum service performance measures detailed below have been contractually agreed with the Partners in their agreements with CIP. Enhanced service levels are also available. CIP is responsible for monitoring service performance as per its contracts, while the Partners are responsible for meeting these targets.

CIP's Partners' performance targets for UFB service performance	
Service	Target
1. A) UFB1 provisioning ⁹ per end user: <ul style="list-style-type: none"> Residential Business/Priority 	<ul style="list-style-type: none"> Within 4 business days Within 6 business days

⁹ Provisioning means the installation and activation of a UFB service for an end user such as a household or business. UFB1 (75.4% of the population) and the UFB expansion programme have different service level agreements (SLAs) and there is some minor variation between the various Partners' provisioning SLAs.

CIP's Partners' performance targets for UFB service performance	
Service	Target
<p><i>B) UFB2 provisioning per end user:</i></p> <ul style="list-style-type: none"> All end users 	<p><i>(or date and time as agreed with the end user)</i></p> <ul style="list-style-type: none"> All connections are to be completed on the date agreed between Chorus/LFC and the RSP/end user (Agreed Date) 90% of the Agreed Dates must be within 60 days of a properly completed order
<p>2. <i>Layer 2¹⁰ performance per end user:</i></p> <ul style="list-style-type: none"> Residential Restoration Business/Priority Restoration 	<ul style="list-style-type: none"> Within 12 hours Within 12 hours
<p>3. <i>Layer 2 network performance per Candidate Area¹¹/POI Area¹²:</i></p> <ul style="list-style-type: none"> Frame Loss¹³ (99% of Frames) Frame Delay (99% of Frames) Frame Delay Variation (99% of Frames) Availability Time/Network 	<ul style="list-style-type: none"> No more than 0.1% No more than 5 ms (milliseconds) in UFB1 and 7 ms in UFB2¹⁴ No more than 3 ms¹⁵ less than 30 minutes or 99.99%
<p>4. <i>Layer 1¹⁶ performance per end user:</i></p> <ul style="list-style-type: none"> Default Restoration Level 1 Restoration (Priority) Level 2 Restoration (Priority) Level 3 Restoration (Priority) 	<ul style="list-style-type: none"> Within 48 hours Within 24 hours Within 12 hours Within 8 hours
<p>5. <i>Layer 1 performance by Candidate Area/POI Area:</i></p> <ul style="list-style-type: none"> Average Downtime Minimum Availability 	<ul style="list-style-type: none"> No more than 2 hours At least 99.98%, measured over a 12-month period
CIP's Partners' performance targets for RBI/MBSF service performance	
<p>6. <i>Minimum service</i></p>	<p>90% or more of all Eligible End Users must receive Rural Broadband Retail Services at the Minimum Speeds or greater measured across a rolling 12-month period</p>
<p>7. <i>Operational availability</i></p>	<p>Rural Broadband Retail Services must have an Average Availability to all Eligible End Users who receive such services on a Grant Funded Network of 99.9% of the time, measured across a 12-month rolling period</p>

CIP reports on the UFB Partners' progress against these measures in its Annual Report, as well as UFB uptake by Candidate Area and UFB product mix.

¹⁰ Layer 2 of the Open Systems Interconnection (OSI), associated with active fibre optic network infrastructure.

¹¹ A Candidate Area is a town or city eligible for UFB.

¹² A Point of Interconnection (POI) area is a specified group of UFB2 Candidate Areas.

¹³ A measure of data loss between two specified points.

¹⁴ There is some minor variation between service levels due to backhaul constraints as UFB2 towns can be a considerable distance from the POI.

¹⁵ As per the CIP Telecommunications Forum measurement regime.

¹⁶ Layer 1 of the OSI Model, associated with passive fibre optic network infrastructure.

4.2 Workplace health and safety

CIP will ensure that it complies with its obligations under the Health and Safety at Work Act 2015. CIP is committed to the health and safety of its employees, its contractors and the community. CIP will continue to encourage its Partners to achieve zero serious harm injuries. CIP will also continually seek to improve health and safety processes, awareness and compliance, across its own organisation and through its involvement in Chorus, the LFCs, and RBI/MBSF Partners, and will encourage its contractors to do the same. CIP benchmarks the performance of Partners against key health and safety metrics such as the Total Recordable Injury Frequency Rate (**TRIFR**). The performance on TRIFR across Partners as at 31 March 2018 (on the basis of a rolling 12-month average) is shown below:

CIP's Partners' performance against workplace health and safety benchmark for UFB and RBI/MBSF				
	Safety Metric	Actual YTD	Benchmarks	
			NZ Construction	NZ Mining & Utilities
1.	TRIFR	3.3	12.2	11.4

For example, a TRIFR of 10 means there were 10 total recordable injuries (including lost time injuries and medical treatment injuries) per one million hours worked. It is expected that TRIFR across UFB for fiscal year 2019 should be less than 7¹⁷.

UFB and RBI2/MBSF Partners have measures in place to stay below this threshold, and this will be reported on in CIP's Annual Report.

¹⁷ This threshold reflects the risk profile of the build programmes as they reach out from cities into smaller towns and remote rural areas.

5. Key business assumptions

5.1 Reporting entity

The reporting entity is CIP (the **Company**). CIP is a limited liability company incorporated under the Companies Act 1993, and is a Crown entity as defined by the Crown Entities Act. CIP is listed in Schedule 4A of the Public Finance Act 1989.

The purpose of the Company is to implement the government's objectives in relation to improving the performance and availability of, and access to UFB, rural broadband, and mobile voice and data coverage, by co-investing with, or making grants to, private sector participants in order to deploy telecommunications network infrastructure. CIP's purpose has been expanded to include developing commercial models and co-investing with private and governmental sector participants to achieve the government's objectives for the deployment of water and roading infrastructure to support the timely increase of land supply for housing. As such, CIP's aim is to provide services to the public, rather than make a financial return.

Accordingly, CIP has designated itself as a public benefit entity (**PBE**) for the purposes of New Zealand equivalents to International Financial Reporting Standards (**NZ IFRS**). CIP is a public authority and so is exempt from the payment of income tax. Therefore no provision has been made for income tax in CIP's financial statements.

5.2 Basis of preparation

Statement of compliance

The prospective financial statements:

- are for the years ended 30 June 2018 and 30 June 2019;
- have been prepared in accordance with the Crown Entities Act, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (**NZ GAAP**);
- comply with PBE FRS-42 Prospective Financial Statements and NZ GAAP as it relates to prospective financial statements; and
- were authorised for issue by the Board of Directors on 30 June 2018.

Annual historical financial statements for these periods will be prepared in accordance with NZ GAAP, NZ IFRS and other applicable financial reporting standards as appropriate for PBEs, using the policies outlined in Section 6. The Board of Directors is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

Measurement base

The financial statements have been prepared on a historical cost basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand (\$000). The functional currency of CIP is New Zealand dollars.

New Zealand International Public Sector Accounting Standards

In fiscal year 2015, CIP adopted Tier 1 New Zealand International Public Sector Accounting Standards (**NZ IPSAS**) for PBEs. The prospective financial information in the Statement of Performance Expectations has been prepared with consideration of NZ IPSAS and NZ GAAP.

CIP has adopted PBE IFRS 9 Financial Instruments, in the forecast for fiscal 2019, in line with the early adoption by the Crown. There is no prior period adjustment, and the impact is on the Chorus debt securities, where the fair value movements are recognised in the statement of comprehensive income, rather than disclosed in the notes to the accounts.

In fiscal 2019, CIP will also have new disclosure for the 3rd party debt portion of the bulk housing infrastructure (**BHI**) investments. This is a liability in the form of a loan, and PBE IFRS 9 will apply.

Standards and interpretations that are not yet effective and have not been adopted

There are a number of standards, amendments and interpretations issued but not yet effective that have not been adopted early.

5.3 Notes to the accounts

- i. *Interest income*: interest earned on cash balances with financial institutions, and imputed interest from financial securities;
- ii. *UFB income*: connection and access revenue earned by the LFC;
- iii. *Fair value changes on investments*: gains and losses arising from changes in the fair value of CIP's investments;
- iv. *Depreciation and amortisation*: depreciation charges on property, plant and equipment;
- v. *Other company overheads*: administrative costs for CIP and the LFCs;
- vi. *UFB contribution – Chorus securities and CCHL, UFF and NFL debt securities*: the difference on initial recognition between the fair value of the investment and the contribution by CIP represents CIP's and the Crown's contribution towards deployment by one of its Partners, Chorus, that is funded through the issue of debt and equity securities;
- vii. *Cash and cash equivalents*: cash on hand with New Zealand's major trading banks; and
- viii. *Capital*: the Crown investment made in CIP is represented by 2,155,400,200 ordinary shares issued at a value of \$1.00, with 1,092 million shares expected to be fully paid in 2018 and 1,362 million

shares paid in 2019. The Crown holds all the issued capital of CIP. All shares have equal voting and dividend rights and share equally in any distribution on wind-up.

6. Significant accounting policies

6.1 Forecast financial information

The financial information contained below is prospective and, by its nature, contains assumptions which may lead to material differences between the prospective financial information and the actual financial results prepared in future reporting periods. CIP has undertaken a review of its financial models, and believes they remain fit for purpose in assisting CIP in preparing prospective financial information. Significant assumptions in the preparation of prospective financial information are for the investments in Chorus, CCHL, UFF and NFL, and the increased scope to include BHI. The prospective information for BHI is subject to significant management judgement relating to the timing and quantum of the investments, and the prospective information reflects the best information available to management.

6.2 Revenue

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

6.3 Investment in Chorus and CCHL, UFF and NFL

CIP's investment in Chorus debt securities and CCHL, UFF and NFL loans is categorised as a "loans and receivables" financial asset and is measured initially at fair value and subsequently at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest method. In CIP's financial statements, the investment in unlisted equity securities of Chorus is categorised as an available-for-sale financial asset, and is measured at fair value. CIP's shares in NFL are shown as UFB shares in associates, and are measured at fair value.

CIP advances funds interest free to CCHL, who provides funding to ESL (UFB build Partner), who in turn advances funds to Enable Networks Limited to fund the build of the UFB network. The advance is repayable in May 2022 and is secured over the assets of Enable Networks Limited.

Any difference on initial recognition between the fair value of the investment in the debt and equity securities and the contribution by CIP represents CIP's and the Crown's contribution to the deployment of UFB in New Zealand, and is reflected in the line "UFB contributions – Chorus securities" in surplus or deficit in the statement of comprehensive income. CIP's investment in Chorus's warrants is treated as a derivative, which is categorised as a "fair value through profit or loss" financial instrument, is measured

at fair value and is accounted for in the same manner as the “fair value through profit or loss” financial instruments above.

6.4 Investment in BHI

CIP’s investment in BHI is categorised as a “loans and receivables” financial asset, and is measured initially at fair value and subsequently at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest method. In the build phase of BHI, interest expense is capitalised, and once build is completed interest expense will be recognised in the face of the statement of forecast comprehensive income.

In financial statements, the investment in unlisted equity securities of BHI is categorised as an available-for-sale financial asset, and is measured at fair value.

CIP has forecast a secured bank loan of approximately \$75 million, with an interest rate of approximately 6.5% for a 25 – 38 year period. It is expected the loan will be refinanced on maturity. The loan is to be secured over the BHI revenue stream (constituted of Developer Payments and Targeted Income), with recourse to the development lots. During the build phase of the development, the loan is capitalised against the asset.

6.5 Creditors and other payables

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms; therefore the carrying values of creditors and other payables approximate their fair values.

6.6 Goods and services tax

All items in the financial statements are presented exclusive of goods and services tax (**GST**), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from, Inland Revenue, including the GST relating to investing and financing activities, is classified as operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed excluding GST.

6.7 Income tax

The Company is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax by CIP in the Company’s financial statements.

6.8 Statement of cash flows

The definitions of the terms used in the statement of cash flows are:

- *cash and cash equivalents* comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily converted to known amounts of cash and are subject to an insignificant risk of changes in value;
- *operating activities* are the principal revenue-producing activities of the Company and other activities that are not investing or financing activities;
- *investing activities* are those activities relating to the acquisition and disposal of current and non-current investments, property, plant and equipment, intangible assets and other non-current assets; and
- *financing activities* are those activities that result in changes in the size and composition of the contributed equity of the Company.

6.9 Critical accounting estimates and assumptions

In preparing these financial statements CIP has made estimates and assumptions concerning the future, which may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management has exercised its judgement in respect of arriving at the fair values of its investments in Chorus, including assumptions in respect of fibre uptake by Chorus customers by June 2020. Further detail on the fair value is set out in Section 6.3 above.

7. Financial statements

Statement of Forecast Comprehensive Income for the Period 2018-2019

	2017/18	2018/19
	\$000	\$000
Income		
Interest income	22,810	29,541
UFB income	6,545	-
RBI2/MBSF Grant Income	18,500	60,000
Fair value gain on derivatives	223	-
Total income	48,078	89,541
Expenses		
Directors fees	379	347
Wages and salaries	4,634	5,498
Depreciation expense	2,331	112
Professional & advisory fees	4,018	6,144
RBI2/MBSF Grant Expenses	18,500	60,000
RBI2/MBSF - CIP funding	810	14,670
Other expenses	5,531	3,286
UFB contributions	93,903	122,741
Bulk housing project contributions	-	21,000
Fair value loss on financial assets FVTPL	-	419
Fair value loss on derivatives	-	12
Total expenses	130,106	234,229
Net surplus/(deficit) before tax	(82,028)	(144,688)
Tax expense/(credit)	326	-
Net surplus/(deficit) for the year	(82,354)	(144,688)
Other comprehensive income and expense		
Net fair value gains/(losses) on available for sale investments	2,428	(11,506)
Reclassification to surplus/deficit on deconsolidation	(3,631)	-
Total other comprehensive income and expense	(83,557)	(156,194)
Total comprehensive income and expense for the year		
Net surplus/(deficit) from continuing operations	(84,395)	(156,194)
Net surplus/(deficit) from discontinued operations	838	-
	(83,557)	(156,194)

Statement of Forecast Changes in Equity for the Period 2018-2019

	Capital \$000	AFS Reserve \$000	Retained Earnings \$000	Attributable to Equity Holders of Parent \$000	Minority Interests \$000	Total \$000
Opening balance 1 July 2016	927,900	12,923	(456,964)	483,859	147,721	631,580
Comprehensive income						
Net deficit	-	-	(70,306)	(70,306)	112	(70,194)
Other comprehensive income and expense	-	2,162	-	2,162	-	2,162
Total comprehensive income and expense	-	2,162	(70,306)	(68,144)	112	(68,032)
Owners' transactions						
Share transactions with minority interests	-	-	-	-	15,330	15,330
Capital contributions - Crown	-	-	-	-	-	-
Capital contributions - minority interests	-	-	-	-	15,574	15,574
Dividend to minority interests	-	-	-	-	(1,827)	(1,827)
Disposal of subsidiary	-	-	-	-	(156,039)	(156,039)
Closing balance 30 June 2017	927,900	15,085	(527,270)	415,715	20,871	436,586
Opening balance 1 July 2017	927,900	15,085	(527,270)	415,715	20,871	436,586
Comprehensive income						
Net deficit	-	-	(86,823)	(86,823)	838	(85,985)
Other comprehensive income and expense	-	2,428	-	2,428	-	2,428
Total comprehensive income and expense	-	2,428	(86,823)	(84,395)	838	(83,557)
Owners' transactions						
Share transactions with minority interests	-	-	-	-	1,940	1,940
Capital contributions - Crown	165,000	-	-	165,000	-	165,000
Capital contributions - minority interests	-	-	-	-	-	-
Dividend to minority interests	-	-	-	-	(2,370)	(2,370)
Effect on deconsolidation	-	-	-	-	(21,279)	(21,279)
Closing balance 30 June 2018	1,092,900	17,513	(614,093)	496,320	-	496,320
Opening balance 1 July 2018	1,092,900	17,513	(614,093)	496,320	-	496,320
Comprehensive income						
Net deficit	-	-	(144,688)	(144,688)	-	(144,688)
Other comprehensive income and expense	-	(11,506)	-	(11,506)	-	(11,506)
Total comprehensive income and expense	-	(11,506)	(144,688)	(156,194)	-	(156,194)
Owners' transactions						
Share transactions with minority interests	-	-	-	-	-	-
Capital contributions - Crown	270,000	-	-	270,000	-	270,000
Capital contributions - minority interests	-	-	-	-	-	-
Dividend to minority interests	-	-	-	-	-	-
Closing balance 30 June 2019	1,362,900	6,007	(758,781)	610,126	-	610,126

Statement of Forecast Financial Position for 2018-2019

	2017/18	2018/19
	\$000	\$000
Current assets		
Cash and cash equivalents	47,839	77,072
Trade and other receivables	253	253
GST receivable	-	-
Prepayments	39	39
Total current assets	48,131	77,364
Non-current assets		
Property, plant and equipment	93	56
UFB investments in loans and receivables	145,755	153,469
UFB investments in shares in associates	15,897	14,255
UFB investments in debt securities	150,413	189,019
UFB investments in equity securities	141,732	174,534
Bulk housing projects	-	83,880
Total non-current assets	453,890	615,213
Total assets	502,021	692,577
Current liabilities		
Creditors and other payables	5,081	1,951
Employee entitlements	620	620
Deferred revenue	-	-
Total current liabilities	5,701	2,571
Term liabilities		
Term liabilities	-	79,880
Total term liabilities	-	79,880
Total liabilities	5,701	82,451
Net assets	496,320	610,126
Contributed capital	1,092,900	1,362,900
Available-for-sale reserve	17,513	6,007
Retained earnings	(614,093)	(758,781)
Minority interests	-	-
Total equity	496,320	610,126
Equity attributable to parent	496,320	610,126

Statement of Forecast Cash Flows for 2018-2019

	2017/18	2018/19
	\$000	\$000
Cash flows from operating activities		
Receipts from customers	7,235	-
Interest received	2,021	1,000
Grants received	18,500	60,000
Payments to suppliers and employees	(12,572)	(18,604)
Payments to RBI2/MBSF	(810)	(14,670)
Grants payments	(18,500)	(60,000)
Goods and services tax (net)	78	-
<i>Net cash inflow/(outflow) from operating activities</i>	<i>(4,048)</i>	<i>(32,274)</i>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,086)	(75)
UFB investments in loans and receivables	(40,813)	(9,829)
UFB investments in shares in associates	-	-
UFB investments in debt securities	(72,999)	(59,953)
UFB investments in equity securities	(80,997)	(115,058)
Bulk housing projects	-	(100,000)
Net cash outflow on disposal of subsidiary	(1,296)	-
Proceeds from sale to minority interests	1,940	1,422
<i>Net cash outflow from investing activities</i>	<i>(195,251)</i>	<i>(283,493)</i>
Cash flows from financing activities		
Proceeds from third party debt	-	75,000
Dividends payments	(2,370)	-
UFB capital contribution	145,000	245,000
Bulk housing capital contribution	20,000	25,000
<i>Net cash inflow from financing activities</i>	<i>162,630</i>	<i>345,000</i>
Net increase/(decrease) in cash and cash equivalents	(36,669)	29,233
Cash and cash equivalents at the beginning of the year	84,508	47,839
Cash and cash equivalents at the end of the year	47,839	77,072

Appendix: Directory

Shareholders

The Minister of Finance; and
The Minister for State Owned Enterprises.

Registered office

c/- Bell Gully
Level 22, Vero Centre
48 Shortland Street
Auckland Central
Auckland 1010, New Zealand

Contact address

PO Box 105321
Auckland 1143, New Zealand

Email: info@crowinfrastructure.govt.nz
Web: <https://www.crowinfrastructure.govt.nz/>
Phone: +64 9 912 1970

Auditor

The Auditor-General, pursuant to section 15 of the Public Audit Act 2001

Solicitor

Bell Gully

Bankers

ANZ Bank New Zealand Limited
ASB Bank Limited
Bank of New Zealand Limited
Kiwibank Limited
Westpac New Zealand Limited

Senior Management

Graham Mitchell, Chief Executive Officer
Dougal Evison, Finance Director
John Greenhough, Chief Technology Officer
Kathryn Mitchell, Chief Legal and Risk Officer
Nick Manning, General Manager Government and Industry Affairs
Sean Wynne, Deputy Chief Executive Officer – Bulk Housing Infrastructure

Board of Directors

Simon Allen (Chairman)
Miriam Dean CNZM QC
Danelle Dinsdale
Keith Tempest
Dr Murray Milner