

CROWN INFRASTRUCTURE PARTNERS LIMITED
AMENDMENT TO
STATEMENT OF
PERFORMANCE
EXPECTATIONS
1 JULY 2020 - 30 JUNE 2021

March 2021
Presented to the House of Representatives
pursuant to the Crown Entities Act 2004



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1: INTRODUCTION

This Amendment to the Statement of Performance Expectations (SPE) is submitted by the Board of Directors of Crown Infrastructure Partners Limited (CIP), pursuant to section 149K(2)(b)(iv) of the Crown Entities Act 2004. It sets out the performance expected of CIP for the period 1 July 2020 to 30 June 2021 in relation to new areas of responsibility CIP has been assigned during the 2020/21 financial year.

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.



Mark Binns, Chair
5 March 2021



Bella Takiari-Brame, Director
5 March 2021

2: CONTEXT

This amendment to the CIP issued 2020/21 financial year Statement of Performance Expectations (**SPE**) is made pursuant to section 149K(2)(b)(iv) of the Crown Entities Act 2004.

CIP has seen some significant changes in its work programmes since the original 2020/21 financial year SPE was finalised, and as such the Minister for State-Owned Enterprises has written to CIP outlining new expectations that reflect these changes.

In particular CIP has been given new responsibilities in relation to the Infrastructure Reference Group (**IRG**) 'shovel ready' work programme, and the monitoring of the infrastructure delivery stimulus funding for the Government's 3 waters reform programme.

This amendment sets out additional measures for CIP's performance for these two new areas of responsibility and updated financial information to reflect these.

This amendment should be read in conjunction with the original 2020/21 financial year SPE which continues to have effect except in relation to the financial and other information which is updated in this amendment document.

3: CIP'S PURPOSE, OBJECTIVES, SCOPE AND OUTPUTS

We note that COVID-19 has had a number of impacts on telecommunications network delivery and timing of urban development projects, some of which could continue to impact during FY21. The following measures assume there is no further change back to COVID-19 level 2, 3 or 4.

3.1 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 **RBI2/MBSF Objective**) and the **Regional Digital Connectivity Objective**, to support the Public Safety Network programme for the **PSN Objective** and to undertake infrastructure financing for bulk housing and other classes of eligible infrastructure (the **Infrastructure Financing Objective**).

As noted above since the issue of the original SPE, CIP has gained additional responsibilities relating to the IRG work programme, and in relation to the Government's 3 waters reform programme. These new responsibilities are reflected in the new objectives in the diagram (the **IRG Objective** and the **3 Waters Objective**).

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 Infrastructure Financing Objective.

The IRG Objective, 3 Waters Objective, Regional Digital Connectivity Objective, PSN Objective and the expansion of Infrastructure Financing Objective to include other classes of urban infrastructure have been added since CIP issued the Statement of Intent and will be included in the next version.

The following diagrams sets out CIP's updated vision, purpose, functions and strategic priorities.

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.

CIP'S VISION

“To partner with the private sector and local government to deliver infrastructure to improve the lives of New Zealanders”

CIP'S PURPOSE

- To accelerate the roll-out of UFB to 86% of New Zealanders by 2022 (the **UFB Objective**)²
- To improve broadband coverage for the last 4% of the population and mobile coverage on state highways and in tourist areas (the **RBI2/MBSF Objective**)
- To deliver West Coast and Southland fibre links, upgraded mobile capacity and digital connectivity for eligible marae and regional digital hubs (the **Regional Digital Connectivity Objective**).
- To act as delivery partner for the Public Safety Network (**PSN**) by supporting procurement and delivery of radio and cellular network infrastructure and services (the **PSN Objective**).
- To implement and co-ordinate the Infrastructure Reference Group work programme (the **IRG Objective**).
- To implement and/or facilitate funding and financing of infrastructure for housing and urban development and other eligible infrastructure in accordance with the Infrastructure Funding and Financing Act 2020 (the **Infrastructure Financing Objective**).
- To assist with the monitoring of the infrastructure delivery stimulus funding for the Government's 3 waters reform programme (the **3 Waters Objective**).

CIP FUNCTIONS

CIP will ensure its policy goals are achieved by:

- implementing and co-ordinating the IRG work programme to deliver the IRG Objective
- implementing contracts and sourcing third party financing to fund infrastructure
- monitoring infrastructure delivery plans for 3 waters reform, to achieve the 3 Waters Objective
- managing contracts to deliver the UFB, RBI2/MBSF and Regional Digital Connectivity Objectives
- a structured procurement and delivery approach for the PSN network capability
- monitoring and investing Crown funds in infrastructure partners
- supporting Government digital connectivity policy objectives through procuring network infrastructure solutions for the delivery of high-speed broadband and mobile coverage, and eligible infrastructure identified in conjunction with the Government.

STRATEGIC PRIORITIES

Strategic priorities are to:

- establish funding agreements with project owners who will receive shovel ready IRG funding, monitor and report on the implementation of these projects and provide IRG programme co-ordination and reporting for Government across the whole programme
- review, recommend and monitor the establishment of 3 water delivery plans by LTAs and the implementation of these plans
- monitor health and safety performance by partners and promote improvement where necessary
- ensure deployment targets are achieved for UFB, RBI2/MBSF and Regional Digital Connectivity Objectives
- implement arrangements with Councils, developers, private sector infrastructure providers, financiers and other parties as relevant to enable the delivery of financed infrastructure
- establish procurement for the PSN project and complete the procurement stage
- stay within fiscal envelope for the infrastructure programmes
- manage contracts effectively for the infrastructure programmes
- ensure return of invested funds from infrastructure partners as per contractual arrangements
- retain and develop engaged personnel.

² 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.

4 : CIP'S REPORTABLE OUTPUTS

Section 4 describes CIP's additional outputs for the period from 1 July 2020 to 30 June 2021, which are reportable under section 149E(1)(a) of the Crown Entities Act 2004. CIP's additional performance measures for fiscal year 2021 relate to implementation of the IRG and 3 waters work programmes. Performance on these measures will be reported in CIP's Annual Report.

4.1 CIP'S PERFORMANCE MEASURES

4.1.1 Infrastructure Reference Group work programme

MEASURE	TARGET
All approved CIP projects with suitable risk contracted	By end of FY20/21
All approved CIP projects on track to commence within 12 months of contract date unless otherwise agreed by Ministers	Percentage of projects to commence within 12 months/total projects
Fit for purpose monitoring and reporting systems in place for full programme	By end of FY20/21

This class of outputs tracks CIP's progress towards the achievement of the IRG programme objectives.

CIP's performance in terms of the IRG programme is based on the number of approved CIP projects with suitable risk being contracted, a verifiable and audited measure. This is measured by CIP having entered into binding funding contracts with relevant project owners. This measure reflects the objective of having projects funded and underway but within reasonable risk parameters post due diligence.

CIP's performance in terms of the percentage of projects to commence within 12 months of contract date (unless agreed otherwise by Ministers) is measured by a CIP database, with the 12 month target consistent with the criteria approved by Cabinet for IRG projects.

CIP's performance in terms of having monitoring and reporting systems in place for the full programme is measured by CIP assessing the relevant systems are in place which are fit for purpose. This component measures CIP's overall co-ordination role for the Government across the whole IRG programme and the multiple agencies implementing this.

4.1.2 3 Waters reform programme

MEASURE	TARGET
Delivery plan recommendations provided to the Department of Internal Affairs	By 31 October 2020 for complete delivery plans delivered on time
Review quarterly reports and provide recommendations on funding drawdowns to Department of Internal Affairs	Within 15 business days of receipt of complete and understandable reports from Local Territorial Authorities
Fit for purpose monitoring and reporting systems in place for programme	By end of FY20/21

This class of outputs tracks CIP's progress towards the achievement of the 3 waters reform programme objectives. CIP is supporting the Department of Internal Affairs (**DIA**) in providing monitoring and review services in respect of the fiscal stimulus funding programme for 3 waters infrastructure for Local Territorial Authorities.

CIP's performance in terms of Local Territorial Authority delivery plan assessment and recommendations provided to DIA is measured by CIP having provided the recommendations to DIA by 31 October 2020 for all complete Delivery Plans delivered to CIP and DIA by the date specified by DIA. This measure reflects the wider work CIP is undertaking in reviewing all delivery plans covering proposed expenditure on 3 water infrastructure by Local Territorial Authorities.

CIP's performance in terms of review of quarterly reports and provision of recommendations on funding drawdowns to DIA is measured by CIP having provided recommendations to DIA within 15 business days of receipt of complete and understandable reports from Local Territorial Authorities. This measure reflects CIP's activities in respect to reviewing and monitoring Local Territorial Authority performance against their delivery plans as reported quarterly.

CIP's performance in terms of having monitoring and reporting systems in place for the full programme is measured by CIP assessing the relevant systems are in place which are fit for purpose.

4.2 CIP'S REPORTABLE MEASURES

CIP monitors the operational and service performance of IRG build 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.

MEASURE	TARGET
At least 60% of approved CIP IRG projects have commenced construction	As at end of FY20/21

CIP's partners' performance in terms of at least 60% of approved CIP IRG projects having commenced construction is measured by project reports from counterparties confirming construction has commenced. This component reflects the objective of having at least 60% of CIP's IRG projects underway by the end of the financial year. CIP will report on these measures in its Annual Report.



Ngunguru, Northland – The Rural Connectivity Group

5: KEY BUSINESS ASSUMPTIONS

5.1 REPORTING ENTITY

The reporting entity is Crown Infrastructure Partners Limited (**CIP**, the **Parent** and the Company) and its controlled subsidiaries (the **Group**). As at 30 June 2020 the controlled entities were Milldale Holdco GP Limited, Milldale Infrastructure GP Limited, Milldale Holdco LP, Milldale Infrastructure LP, and CIP Services Limited, which are 100% controlled. These controlled entities were established in September 2018 to facilitate accelerated development of bulk housing infrastructure for the Milldale development located at Wainui, Auckland. 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, as amended to reflect the additional responsibilities, is to:

- (a) implement the government's objectives in relation to improving the performance and availability of, and access to:
 - (i) ultra-fast broadband;
 - (ii) rural broadband;
 - (iii) mobile voice and data coverage;
 - (iv) telecommunications backhaul; and
 - (v) digital equipment,
 by co-investing with, purchasing from, or making grants to, private sector participants in order to deploy telecommunications network infrastructure and/or procure the delivery of telecommunications services;
- (b) act as a delivery partner for the government's programme to provide national public safety communications capability, to enable the safe and effective provision of emergency services across New Zealand, including by managing procurement and delivery of radio and cellular network infrastructure and services; and
- (c) implement and/or facilitate funding and financing of infrastructure, including as provided for under the Infrastructure Funding and Financing Act (the IFF Act) (upon the IFF Act receiving Royal Assent), by co-investment with, or facilitating investment from, private sector or other participants, to achieve the government's objectives for:
 - (i) the provision of infrastructure for housing and urban development; and
 - (ii) the provision of other eligible infrastructure in accordance with the IFF Act; and
- (d) assist with the government's response to the COVID-19 pandemic by:
 - (i) providing assistance to the Infrastructure Reference Group (the IRG) in relation to:
 - i. advice to the government on issues affecting the construction industry as a result of the COVID-19 pandemic and the government's response to such issues;
 - ii. assessing proposals for projects that may be suitable for potential government support as part of COVID-19 response initiatives; and
 - iii. preparing reports and other advice as necessary to assist the IRG to carry out its purpose for the government; and
 - (ii) implementing, facilitating or otherwise assisting the government with any transaction, or class of transactions, or providing assistance with any other matter, in relation to any projects that are selected for government support, as agreed from time to time between the Company and the Shareholding Ministers.
- (e) assist with the government's "3 Waters" reform programme by:
 - (i) providing oversight in relation to delivery plans prepared and carried out by regional or district councils, or by other local authorities, and in particular by:
 - i. reviewing each delivery plan prepared by regional or district councils, or by other local authorities;
 - ii. prior to the disbursement of any funds in connection with any delivery plan, confirming to the Secretary of Local Government that the delivery plan is consistent with requirements set out in the relevant funding agreement; and
 - iii. monitoring the progress of work in connection with each confirmed delivery plan as against the requirements of the delivery plan, and providing relevant information on such progress to the Secretary of Local Government; and
 - (ii) implementing, facilitating, monitoring, advising or otherwise assisting the government with the "3 Waters" reform programme, including, but not limited to, supporting infrastructure deployment, as agreed from time to time between the Company and the Shareholding Ministers.

Section (e) above was added to CIP's purpose as a result of its new 3 waters infrastructure monitoring responsibilities.

CIP's aim is to provide services to the public and implement Government policy, and, as such, CIP is a public benefit entity (**PBE**) for the purposes of financial reporting under Public Sector PBE Standards (PBE Standards). Accordingly, CIP has designated itself as a 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

The prospective financial statements have been prepared on consistent basis to the accounting policies in the existing Statement of Performance Expectations for Financial Year 2020/21 together with the additional accounting policies set out below.

5.3 NOTES TO THE ACCOUNTS

- i. **Interest income:** interest earned on cash balances with financial institutions, and imputed interest from financial securities. The table below shows the reconciliation of interest income;

Interest income	Published SPE FY21	Changes FY21	Recast SPE FY21
Bank interest	525	-	525
IRG cash and equivalents	-	500	500
Imputed interest - IRG loans	-	176	176
Imputed interest	43,395	-	43,395
BHI interest	3,245	-	3,245
Interest income	47,165	676	47,841

- ii. **Grant Income:** are the grants funded by the Telecommunications Development Levy (TDL) and the Provincial Growth Fund (PGF) for improving rural broadband connectivity, reducing mobile blackspots, providing fibre links to Haast and Milford, and digital connectivity to Marae/RDHs. IRG grants are provided for the funding of infrastructure as part of the 'shovel ready' IRG work programme (the **IRG Grants**). The nature of the IRG Grants are non-exchange revenue (PBE IPSAS 23), and the grant money is recognised as an asset, with the corresponding payments to the recipients recognised as a liability.
- iii. **Recoveries income:** is reimbursement for infrastructure project transaction costs incurred by CIP on behalf of a project. These costs are usually in the nature of establishment and financing costs directly attributable to a specific infrastructure project, and include NGCC costs.
- iv. **Fair value changes on investments:** gains and losses arising from changes in the fair value of CIP's investments, these include UFB investments, Milldale, IRG loans, and other infrastructure investment.
- v. **Depreciation and amortisation:** depreciation charges on property, plant and equipment.
- vi. **Grant Expenses:** these expenses are the cost of the RBI2/MBSF build that CIP is paying to RCG and 'wireless ISPs' (WISPs) funded from the TDL Levy for improving rural broadband connectivity, reducing mobile blackspots, providing fibre links to Haast and Milford, and digital connectivity to Marae/RDHs. IRG grants expenses are the cost of infrastructure as part of the 'shovel ready' IRG work programme, and reflected as an expense if the IRG Grant does not meet the criteria for a non-exchange transaction.
- vii. **CIP funded expenses:** CIP funds RBI2/MBSF including site leases, 3G Opex and expansion Opex and mobile capacity upgrade, urban marae connectivity and some of the Chatham Island's satellite backhaul capacity expenses are those not covered by Grant Funding.
- viii. **Other company overheads:** administrative costs for CIP including any additional costs associated CIP's new responsibilities for with IRG shovel ready and 3 Waters infrastructure monitoring.
- ix. **UFB contribution - Chorus Equity Securities and Debt Securities and CCHL, and NFL loans:** 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.
- x. **IRG contribution** - is difference on initial recognition of the IRG loan and the contribution by CIP represents CIP's and IRG contribution arising as a result of the concessionary nature, if any, of the loan.
- xi. **Cash and cash equivalents:** cash on hand with New Zealand's major trading banks or Treasury Bills.
- xii. **Capital:** the Crown investment made in CIP is represented by 1,431,900,200 ordinary shares issued at a value of \$1.00. For fiscal 2020, CIP made of total of \$97m capital call. However, the cash received during fiscal 2020 was \$115 million, being \$25m from fiscal 2019 and \$7m will be paid in fiscal 2021. CIP forecast to call \$171.6 million and is expecting to receive the full amount in the same year plus the \$7m owing as at the end of fiscal 2020, and is expecting to receive the full amount in the same year plus the \$7m owing as at the end of fiscal 2020.

6: SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies as described in the original SPE remain accurate and are not repeated here. Below any additional policies are described, as necessary, to reflect CIP's additional responsibilities.

6.1 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.

TDL and PGF grant income is recognised on receipt of the grant funds from MBIE.

The IRG grants are recognised as non-exchange revenue (PBE IPSAS 23), and to recognise the grant money as an asset, and the corresponding payments to the recipients as a liability. As the IRG Grant conditions are satisfied and the monies paid the asset and liability are reduced.

6.2 INVESTMENT IN CHORUS AND CCHL, NFL, IRG LOANS, INVESTMENT IN TREASURY BILLS AND MILLDALE

CIP's investment in CCHL, NFL, and IRG 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. Any difference on initial recognition between the fair value of the investment in LFC and IRG Loans and the contribution by CIP represents CIP's contribution to the IRG projects, and is reflected in the lines "UFB contributions - LFC Loans" and "IRG contributions - IRG Loans". Interest income is recognised by applying the effective interest method. In CIP's financial statements, the investment in unlisted Chorus Equity Securities and Chorus Debt Securities 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 part funded UFB for Enable through CCHL, who provided the funding to ESL (UFB build Partner), who in turn advanced the funds to Enable Networks Limited to build of the UFB network. The advance can no longer be drawn on and 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 Chorus 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.

CIP's investment in Treasury Bills is to fund the IRG projects. The Treasury Bills are short-dated investments and are typically issued with 3, 6 and 12month maturities. Treasury Bills do not pay a coupon instead they are issued as at discount to face value to reflect the interest yield on the bill. The interest yield is reflected as amortised interest in the profit or loss up to the face value of the instrument. The Treasury Bills are shown as current assets as their duration is no longer than 12 months. The investment in the Treasury Bills 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.



Towns with UFB available in FY20: from left to right: Coromandel Town, Omarama, Napier, Benneydale, Waimauku

7: FINANCIAL STATEMENTS

STATEMENT OF FORECAST COMPREHENSIVE INCOME

FOR THE PERIOD 2020-2021

	Published SPE FY21	Changes FY21	Recast SPE FY21
Income			
Interest income	47,165	676	47,841
Recoveries income	6,413	-	6,413
Grant income	106,112	25,747	131,859
Total income	159,690	26,423	186,113
Expenses			
Directors' Fees	221	-	221
Personnel costs	6,368	737	7,105
Professional & Advisory Fees	5,501	1,567	7,068
Other expenses	2,347	196	2,543
Depreciation	82	-	82
Financing costs	390	-	390
Non Grant project expenses^	31,269	-	31,269
Grant expenses	106,112	-	106,112
UFB contributions - Chorus Equity Securities	72,080	-	72,080
UFB contributions - Chorus Debt Securities	14,513	-	14,513
UFB contributions - LFC Loans	486	-	486
IRG Contributions	-	2,294	2,294
Fair value losses on FVTSD investments	32,216	669	32,885
Total expenses	271,585	5,463	277,048
Net surplus/(deficit)	(111,895)	20,960	(90,935)

^ CIP funds this through returned funds and cashflow

STATEMENT OF FORECAST CHANGES IN EQUITY

FOR THE PERIOD 2020-2021

	Capital \$000	Retained earnings \$000	Total \$000
Opening balance 1 July 2019	1,334,900	(602,803)	732,097
Net surplus/(deficits)	-	(52,312)	(52,312)
Capital contributions	97,000	-	97,000
Closing balance 30 June 2020	1,431,900	(655,115)	776,785
Opening balance 1 July 2020	1,431,900	(655,115)	776,785
Net surplus/(deficits)	-	(90,935)	(90,935)
Capital contributions	171,640	-	171,640
Closing balance 30 June 2021	1,603,540	(746,050)	857,490

STATEMENT OF FORECAST FINANCIAL POSITION

FOR THE PERIOD 2020-2021

	Published SPE FY21	Changes FY21	Recast SPE FY21
Assets			
Current assets			
Cash and cash equivalents^	247,570	15,229	262,799
Investments in Treasury Bills^	-	727,699	727,699
Trade and other receivables	14,234	-	14,234
GST receivables	656	-	656
Prepayments	68	-	68
Total current assets	262,528	742,928	1,005,456
Non-current assets			
Property, plant and equipment	279	-	279
Investments in Infrastructure financed projects	45,048	-	45,048
Investments in Chorus Equity Securities	295,407	-	295,407
Investments in Chorus Debt Securities	276,167	-	276,167
Loans asset *	8,416	22,960	31,376
Total non-current assets	625,317	22,960	648,277
Total assets	887,845	765,888	1,653,733
Liabilities			
Current liabilities			
Creditors and other payables	12,762	14,160	29,922
IRG Grant payable	-	285,553	285,553
Employee entitlements	707	-	707
Total current liabilities	13,469	299,713	313,182
Non-current liabilities			
IRG Grant payable	-	442,146	442,146
Borrowings	40,915	-	40,915
Total non-current liabilities	40,915	442,146	483,061
Total liabilities	54,384	741,859	796,243
Net assets	833,461	24,029	857,490
Contributed capital	1,603,540	-	1,603,540
Retained earnings	(770,079)	24,029	(746,050)
Total equity	833,461	24,029	857,490

^ The sum of cash & cash equivalents and investments in Treasury Bills is \$1,138,814k.

* IRG loans asset of \$22,960k is included in the loans assets balance.

STATEMENT OF FORECAST CASH FLOWS

FOR THE PERIOD 2020-2021

	Published SPE FY21	Changes FY21	Recast SPE FY21
Cash flows from operating activities			
Interest received	525	500	1,025
Other receipts	6,413	-	6,413
Grant received	151,437	179,456	330,893
Treasury Bills received	-	727,699	727,699
Payments to suppliers	(13,032)	(2,500)	(15,532)
Payments to employees	(6,186)	-	(6,186)
Grant payments	(131,321)	(176,884)	(308,205)
Non Grant project payments	(31,269)	-	(31,269)
Goods and services tax (net)	(131)	-	(131)
Net cash outflow from operating activities	(23,564)	728,271	704,707
Cash flows from investing activities			
Purchase of property, plant and equipment	(200)	-	(200)
Acquisition of investment in Chorus Equity Securities	(90,104)	-	(90,104)
Purchase of work-in-progress	(2,946)	-	(2,946)
Acquisition of investment in Chorus Debt Securities	(28,134)	-	(28,134)
Acquisition of investments in LFCs	(921)	-	(921)
Investment in IRG Loans	-	(25,747)	(25,747)
Proceeds from sale of investments in LFC	177,306	-	177,306
Acquisition of investments in Urban Development Infrastructure	(15,299)	-	(15,299)
Net cash outflow from investing activities	39,702	(25,747)	13,955
Cash flows from Financing activities			
Capital contribution - Crown	178,640	-	178,640
Proceeds from borrowings	17,650	-	17,650
Infrastructure receipts	899	-	899
Interest paid	(2,351)	-	(2,351)
Net cash inflow from financing activities	194,838	-	194,838
Net increase/(decrease) in cash and cash equivalents	210,976	702,524	913,500
Cash and cash equivalents at the beginning of the year	36,594	40,404	76,998
Cash, cash equivalents and T-Bills at the end of the year	247,570	742,928	990,498

* Interest received on IRG funds is estimated to be \$500k on cash and equivalents, and \$176k on loan assets.

APPENDIX: DIRECTORY

Shareholders

The Minister of Finance
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 City
Auckland 1143, New Zealand

Email: info@crowinfrastucture.govt.nz
www.crowninfrastructure.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

Sean Wynne,
Deputy Chief Executive Officer

Dougal Evison,
Finance Director

John Greenhough,
Chief Technology Officer

Jeremy Holman,
GM Infrastructure Delivery

Nick Manning,
GM Government and Industry Affairs

Kathryn Mitchell,
Chief Legal and Risk Officer

Board of Directors

Mark Binns (Chair)
Danelle Dinsdale
Chris Gudgeon
Kerry Knight
Bella Takiari-Brame







