

Reference: 20160349

27 January 2017



Thank you for your Official Information Act request, received on 30 September 2016.  
You requested:

*“A copy of all reports/information considered in The Treasury drawing its conclusions of the listed Otakaro Ltd projects in the Major Projects Performance Report July 2016 and for the listed Christchurch Central Delivery Programme in July 2016 programme.*

*Please also include all correspondence from Minister Gerry Brownlee or any other Minister to do with the projects, which was received while the conclusions were being drawn and after the release of the reports.”*

A Treasury official contacted you to explain that your request as worded would cover many hundreds of documents. By email dated 30 September 2016, you agreed that the scope of your request should be restricted to:

- *Ad-hoc reports and assessments (finals only, excluding drafts and iterations)*
- *Briefings and Cabinet papers (finals only, excluding drafts and iterations).*

As you know, I sought to extend the time limit for deciding on your request by an additional 40 working days. The extension was required because your request necessitated a search through a large quantity of information, and consultations were needed before a decision could be made on your request.

### **Information Being Released**

Please find enclosed the following documents:

<b>Item</b>	<b>Date</b>	<b>Document Description</b>	<b>Decision</b>
1.	23 March 2016	Letter to CE CERA re Gateway Escalation	Release in full
2.	31 March 2016	Finalising procurement of the Christchurch Convention Centre Precinct	Release in part

3.	5 April 2016	Email: Re: Cabinet report back	Release in full
4.	20 May 2016	Email: FW: Bullet points following Central Agency briefing	Release in part
5.	30 May 2016	Email: PCNZ Standalone Agreement	Release in part
6.	31 May 2016	Email: FW: Emailing – CCCP Standstill letter	Release in part
7.	3 June 2016	FW: timeline Attachment: timeline next week	Release in part
8.	7 June 2016	Email: FW: Overview of cost changes over time Attachment: Overview of Convention Centre Cost Estimates 7 June	Release in part
9.	7 June 2016	Email: RE: initial review and Update on PCNZ Final Offer	Release in part
10.	8 June 2016	Email: Briefing for Minister 8 June	Release in part
11.	8 June 2016	Email: FW BoP Slide.pptx	Release in part
12.	10 June 2016	Email: FW: Preliminary review of PCNZ 3 June Submission Final V2 10 June 2016	Release in part
13.	10 June 2016	Email: RE: Issuing the letter	Release in part
14.	10 June 2016	Email: FW: Christchurch Convention Centre Precinct Project – Extension of Review Process Letter	Release in part
15.	10 June 2016	Email: Advice on exit obligations under the Plenary process agreement – legally privileged	Release in part
16.	10 June 2016	Email: Proposed approach for the next 2 weeks Attachment: Description of approach for the next 2 weeks	Release in part
17.	14 June 2016	Christchurch Convention Centre: Project Timeline and Treasury Advice	Release in part
18.	21 June 2016	Email: RE: Legal Advice on Possible Exit of the PCNZ Arrangement	Release in part

19.	21 June 2016	Email: Review of Christchurch Convention Centre Plan B Attachment: 160621 Christchurch Convention Centre Precinct Review RFA Final	Release in part
20.	21 June 2016	Email: FW: Final joint Christchurch Convention Centre Update Attachments: Minute of Ministerial Decision Joint Report: Christchurch Convention Centre Update	Release in part
21.	28 June 2016	Email: FW Christchurch Convention Centre Precinct Project – Process Agreement	Release in part
22.	29 June 2016	Draft Media Release: Government moves ahead with Convention Centre	Release in full
23.	8 July 2016	Email: RE: Meeting on Major Projects Performance Report – Monday 11 July at 10.30am	Release in part
24.	22 July 2016	Convention Centre Update 22 July 2016	Release in full
25.	26 July 2016	Aide Memoire: Christchurch Convention Centre Precinct Update – July 2016	Release in part
26.	27 July 2016	Email: Major Projects Reporting	Release in part
27.	8 August 2016	Email: Major Projects Briefing	Release in part
28.	15 August 2016	Email: FW: Dashboard for Min Brownlee's major projects and programmes	Release in part
29.	16 August 2016	Email: RE: Dashboards for Min Brownlee's major projects and programmes	Release in part
30.	16 August 2016	Monitoring Delivery Confidence Assessment Criteria	Release in full
31.	18 August 2016	Email: RE: Meeting with Minister Brownlee on the Canterbury Public Sector Dashboard	Release in part
32.	18 August 2016	Email: Major Projects Performance Report	Release in part

33.	22 August 2016	Email: Meeting Cancellation	Release in part
34.	25 August 2016	Email: FW: Metro Sports Facility Funding Arrangements	Release in part
35.	30 August 2016	Email: Minister didn't agree to public reporting data being released in its current format – more work to be done	Release in part

I have decided to release the relevant parts of the documents listed above, subject to information being withheld under one or more of the following sections of the Official Information Act, as applicable:

- personal contact details of officials, under section 9(2)(a) – to protect the privacy of natural persons, including deceased people
- names and contact details of junior officials and certain sensitive advice, under section 9(2)(g)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinions
- commercially sensitive information, under section 9(2)(b)(ii) – to protect the commercial position of the person who supplied the information, or who is the subject of the information
- confidential information, under section 9(2)(i) – to enable ... [the Crown] to carry out commercial activities without prejudice or disadvantage
- confidential information, under section 9(2)(j) – to enable the Crown to negotiate without disadvantage or prejudice, and
- legal advice, under section 9(2)(h) – to maintain legal professional privilege.

Some information has been deleted because it is not covered by the scope of your request. This is because the documents include matters outside your specific request.

### Information Publicly Available

The following information is also covered by your request and is publicly available on the Treasury website:

Item	Date	Document Description	Website Address
1.	16 August 2016	Previous Treasury OIA response: Information regarding Christchurch projects included in the Major Projects Performance Report  See Documents 5, 6, 11 – 14	<a href="http://www.treasury.govt.nz/downloads/pdfs/oia/oia-20160199.pdf">http://www.treasury.govt.nz/downloads/pdfs/oia/oia-20160199.pdf</a>

2.	16 August 2016	Major Projects Performance Report – July 2016 See Pages 19 - 22	<a href="http://www.treasury.govt.nz/statesector/investmentmanagement/publications/majorprojects/pdfs/mppr-jul16.pdf">http://www.treasury.govt.nz/statesector/investmentmanagement/publications/majorprojects/pdfs/mppr-jul16.pdf</a>
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Accordingly, I have refused your request for the material listed in the above table under section 18(d) of the Official Information Act – the information requested is or will soon be publicly available.

Some relevant material has been removed from the information listed in the above table and should continue to be withheld under the Official Information Act, on the grounds described in the documents.

### Information to be Withheld

There are additional documents covered by your request that I have decided to withhold in full under one or more of the following sections of the Official Information Act, as applicable:

- commercially sensitive information, section 9(2)(b)(ii) – to protect the commercial position of the person who supplied the information, or who is the subject of the information
- legal advice, under section 9(2)(h) – to maintain legal professional privilege
- names and contact details of junior officials and certain sensitive advice, under section 9(2)(g)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinions, and
- confidential information, under section 9(2)(j) – to enable the Crown to negotiate without disadvantage or prejudice.

Item	Date	Document Description	Decision
1.	22 March 2016	160321 CCCP Implementation Business Case - FINAL DRAFT	Withhold in full
2.	1 April 2016	Strategies for the Contractual Close 1 April 2016	Withhold in full
3.	9 May 2016	FW: David Grose - Correspondence	Withhold in full
4.	30 May 2016	PCNZ Standalone Agreement	Withhold in full
5.	31 May 2016	FW: Emailing - CCCP Standstill letter.pdf	Withhold in full
6.	3 June 2016	Contingency Thinking for Christchurch Projects	Withhold in full
7.	3 June 2016	Update on contingency planning for the Christchurch Convention Centre Precinct	Withhold in full

8.	8 June 2016	Attachment: Briefing for Minister 8 June 2016	Withhold in full
9.	8 June 2016	High level comments on BoP.docx	Withhold in full
10.	8 June 2016	BoP slide.pptx	Withhold in full
11.	10 June 2016	Preliminary review of PCNZ 3 June Submission Final V2 10 June 2016	Withhold in full
12.	10 June 2016	Christchurch Convention Centre Precinct Project 10 June 2016	Withhold in full
13.	10 June 2016	Advice on Plenary process agreement (2).docx	Withhold in full
14.	14 June 2016	Outstanding Commercial Issues Table	Withhold in full
15.	16 June 2016	Updated Outstanding contractual issues	Withhold in full
16.	21 June 2016	Legal Advice on Possible Exit of the PCNZ Arrangement	Withhold in full
17.	26 June 2016	[Title withheld section 9(2)(b)(ii) & s9(2)(h)]	Withhold in full
18.	28 June 2016	3543789_Signed termination letter 28 June 2016	Withhold in full

In making my decision, I have considered the public interest considerations in section 9(1) of the Official Information Act.

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This fully covers the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

Ricky Utting  
**Manager, Investment Management and Asset Performance**

23 March 2016

Canterbury Earthquake Recovery Authority  
Private Bag 4999  
Christchurch 8140

Attention: John Ombler

CC: Peter Martin

## **Monitoring escalation of the Christchurch Central Delivery Programme**

### *Background*

1. A Gateway review (Treasury number 1185) was held for the Christchurch Central Delivery Programme in October 2015, which triggered monitoring escalation on 16 October.
2. CERA and Treasury agreed that this review had some limitations, largely resulting from the difficulties of applying the short review format to this complex, multi-stakeholder programme. This constrained the number of interviewees, and one key person was also unavailable due to bereavement leave, which meant some valuable perspectives were unavailable to reviewers.
3. Despite these limitations, both agencies also agreed there was value in agreeing actions to help improve the performance of the programme. A remediation plan was created collaboratively in November 2015, and the agreed actions are largely complete.
4. A further Gateway review (Treasury number 1197) concluded on 18 March 2016, and found that while there were some risks and issues requiring ongoing management, progress on the programme and on the previous review's recommendations was such that monitoring escalation is no longer required.

### *Purpose*

5. The purpose of this letter is to outline progress made since November 2015, and recommend you agree to stop escalation and return to regular monitoring.

### *Progress on October 2015 Gateway recommendations*

6. Six recommendations from the October 2015 Gateway review have been completed and closed, including:
  - a. completing a Programme Business Case Addendum,
  - b. clarifying next steps for the convention centre precinct project,

- c. clarifying next steps for the metro sports facility project,
  - d. updating the convention centre precinct project risk register, and
  - e. undertaking a further Gateway review on the convention centre precinct project
7. One recommendation is under way, to finalise and seek approval for the Christchurch Convention centre business case, which is expected in early April.
  8. Two recommendations were that CERA should consider further Gateway reviews for the Avon River precinct and Metro Sports facility projects. CERA and Treasury have agreed that these reviews are not required.
  9. The final three recommendations focus on mitigating risk associated with transition. These recommendations pertain to actions underway within CERA (but outside the programme) and other agencies, including the Treasury.
  10. As such, the programme is not well placed to manage these recommendations as they are outside its direct control. The recommendations were:
    - a. Ensure that the governance and management structures post CERA include the required skills and experience both at board and executive level
    - b. Develop and incorporate a process into the transition from CERA to the new entities that seeks to retain critical project resources, and
    - c. Clarify and document land divestment and resolve uncertainty under the Cost Sharing Agreement.
  11. The Treasury considers that CERA should raise these recommendations to the attention of those best-placed to manage them.
  12. We note the strong engagement and effort that has been put in to this escalation process by CERA officials, despite ongoing work on many other priorities.

*Improved monitoring delivery confidence assessment*

13. The Treasury has improved its monitoring delivery confidence assessment of the programme to Amber-Red. This is due to completion of the remediation actions and good management of risks and issues improving confidence on projects within the programme.
14. The Treasury also considers that the completion of the Programme Business Case Addendum has been particularly valuable. It provides:
  - a. a useful overview of the strategic context and how this has changed;
  - b. an up-to-date view of completion forecasts;
  - c. a basis from which to prioritise resources, if needed; and
  - d. a useful overview of management issues.
15. The programme has not yet improved to Amber due to ongoing pressures on schedule and costs, though these are being actively managed.



16. Also, although aspects of transition within the programmes control are being managed well, such as due diligence, and participation in planning, transition remains a significant risk to the programme.

*Recommendation to stop escalation and return to regular monitoring*

17. Given progress on Gateway recommendations, increased engagement with central agencies, improved reporting, and the recent Gateway finding, the Treasury considers escalation is no longer required.
18. We recommend that you agree to stop escalation. The programme will continue to be monitored by the Treasury, and to formally report on its status to us three times each year.
19. If you agree please sign your consent below and return this to us for our records. If you wish to discuss this recommendation, or require ongoing escalation, please contact me at [liz.innes@treasury.govt.nz](mailto:liz.innes@treasury.govt.nz) or 04 917 7029.

Yours sincerely,

**Elizabeth Innes**  
Senior Advisor - Investment Management & Asset Performance  
The Treasury

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The Treasury recommends you agree to stop escalation for the Christchurch Central Delivery Programme and return to regular monitoring.

Agree / Disagree

**John Ombler**  
Acting Chief Executive  
Canterbury Earthquake Recovery Authority



To: Prime Minister  
Minister of Finance  
Minister for Canterbury Earthquake Recovery  
Minister for Economic Development

Commercial in Confidence

## FINALISING PROCUREMENT OF THE CHRISTCHURCH CONVENTION CENTRE PRECINCT

Date	6 April 2016	Priority	Urgent
Report No	MGB/15-16/361	File Reference	

	Action Sought	Deadline
Rt Hon John Key <i>Prime Minister</i>	<p><b>Note</b> the Implementation Business Case for the Christchurch Convention Centre (<b>Attachment C</b>) provides the technical detail to support the commercial deals proposed in this paper.</p> <p><b>Note</b> that a commercial deal is close to finalisation for the development of the Christchurch Convention Centre and Precinct.</p> <p><b>Note</b> that a commercial deal for the operation of a conventions business from within that facility can be concluded later this year.</p> <p>s9(2)(i), s9(2)(j)</p> <p><b>Authorise</b> the Acting Chief Executive of CERA to sign the commercial contract with Plenary as set out in this paper, on behalf of the Crown by 15 April 2016.</p>	7 April 2016
Hon Bill English <i>Minister of Finance</i>		
Hon Gerry Brownlee <i>Minister for Canterbury Earthquake Recovery</i>		
Hon Steven Joyce <i>Minister for Economic Development</i>		

### Contact for Telephone Discussion (if required) at Canterbury Earthquake Recovery Authority

Name	Position	Telephone	1st Contact
Baden Ewart	Director, Christchurch Central Development Unit	03 354 2711	<input checked="" type="checkbox"/>
Brent Gray	Project Director, Christchurch Convention Centre, CCDU	03 354 0616	

**Minister's office comments**

- Noted
- Seen
- Approved
- Needs change
- Withdrawn
- Not seen by Minister
- Overtaken by events
- Referred to

**Comments**

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## FINALISING PROCUREMENT OF THE CHRISTCHURCH CONVENTION CENTRE PRECINCT

### Purpose

1. This paper updates Joint Ministers on the commercial agreements in respect to the Christchurch Convention Centre Precinct (the Precinct) currently nearing finalisation with:
  - Plenary Conventions New Zealand (Plenary) for the design, build, and maintenance of the Christchurch Convention Centre (the Convention Centre) and the development of the balance of precinct
  - AAPC Properties Pty Limited (Accor) for the operation of the conventions business to be run out of the Convention Centre
2. The paper seeks agreement to an increase in the fiscal envelope for the design, build and maintenance of the Convention Centre of s9(2)(i), s9(2)(j) to a total of s9(2)(i), s9(2)(j) (excluding land), and working capital for the conventions business of s9(2)(i), s9(2)(j). These increases will be funded through the reprioritisation of existing funding.
3. Agreement is also sought for the Acting Chief Executive of the Canterbury Earthquake Recovery Authority (CERA) to be authorised to sign the relevant commercial contract with Plenary on behalf of the Crown, so long as this contracts falls within the amended fiscal envelope, and has a level of specificity with respect to outcomes that removes delivery ambiguity.
4. CERA seeks to have the contract with Plenary signed prior to the closure of CERA on 18 April 2016 so that there is no disruption to this commercial process during the transition to the inheriting agency. However, in the case that the final works requirement cannot be agreed with Plenary by 15 April 2016, further advice will be provided to you on signing arrangements and the consequences of the potential delay including timeframes and costs.
5. s9(2)(i), s9(2)(j)

### Discussion

#### Background

6. On 21 September 2015, Cabinet agreed a fiscal envelope for the Precinct of s9(2)(i), s9(2)(j) (excluding land) [CAB-15-MIN-0094 refers]. Plenary was provided with the Crown's Convention Centre Precinct requirements covering all elements of the Project, as well as a target price for delivery of these requirements. s9(2)(ba)(ii), s9(2)(g)(i)
- 7.

s9(2)(ba)(ii), s9(2)(g)(i)

8. s9(2)(j), s9(2)(g)(i)

9. s9(2)(i), s9(2)(j)

10. In parallel with the above, CERA continued to interrogate the Convention Centre business costs and explore alternative funding mechanisms, in conjunction with central agencies and Accor. The result of this work was a decrease in the forecast working capital requirement of the business from s9(2)(i), s9(2)(j)

11. On 21 March 2016, Cabinet granted Power to Act (CAB-16-MIN-0123) to the Prime Minister, Minister of Finance, Minister for Canterbury Earthquake Recovery and the Minister for Economic Development to take decisions to conclude the negotiations of the development of the Christchurch Convention Centre. This paper is submitted to you in accordance with this decision.

s9(2)(i), s9(2)(j)

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15. s9(2)(b)(ii), s9(2)(i), s9(2)(j)

16.

**Commercial Deals**

17. The proposed commercial deals are supported by the Implementation Business Case (refer: **Attachment C**), which sets out in detail the analysis and evaluation processes that have taken place to ensure that the Crown is receiving value for money under the proposed contractual arrangements. Under the contracts:

- **Plenary** will design and build the Convention Centre and maintain it for s9(2)(i), s9(2)(j) years, and develop the balance of Precinct in accordance with the Crown's Requirements (refer paragraphs 18 – 27 below; **Attachment C**: s3.2)
- **Accor** will develop and deliver a conventions business that aligns with the Convention Centre provided by Plenary and delivers on the Project Objectives (refer paragraphs 30 – 35 below; **Attachment C**: s3.3)

**Plenary Conventions New Zealand: design, build and maintain the Convention Centre and develop the Precinct**

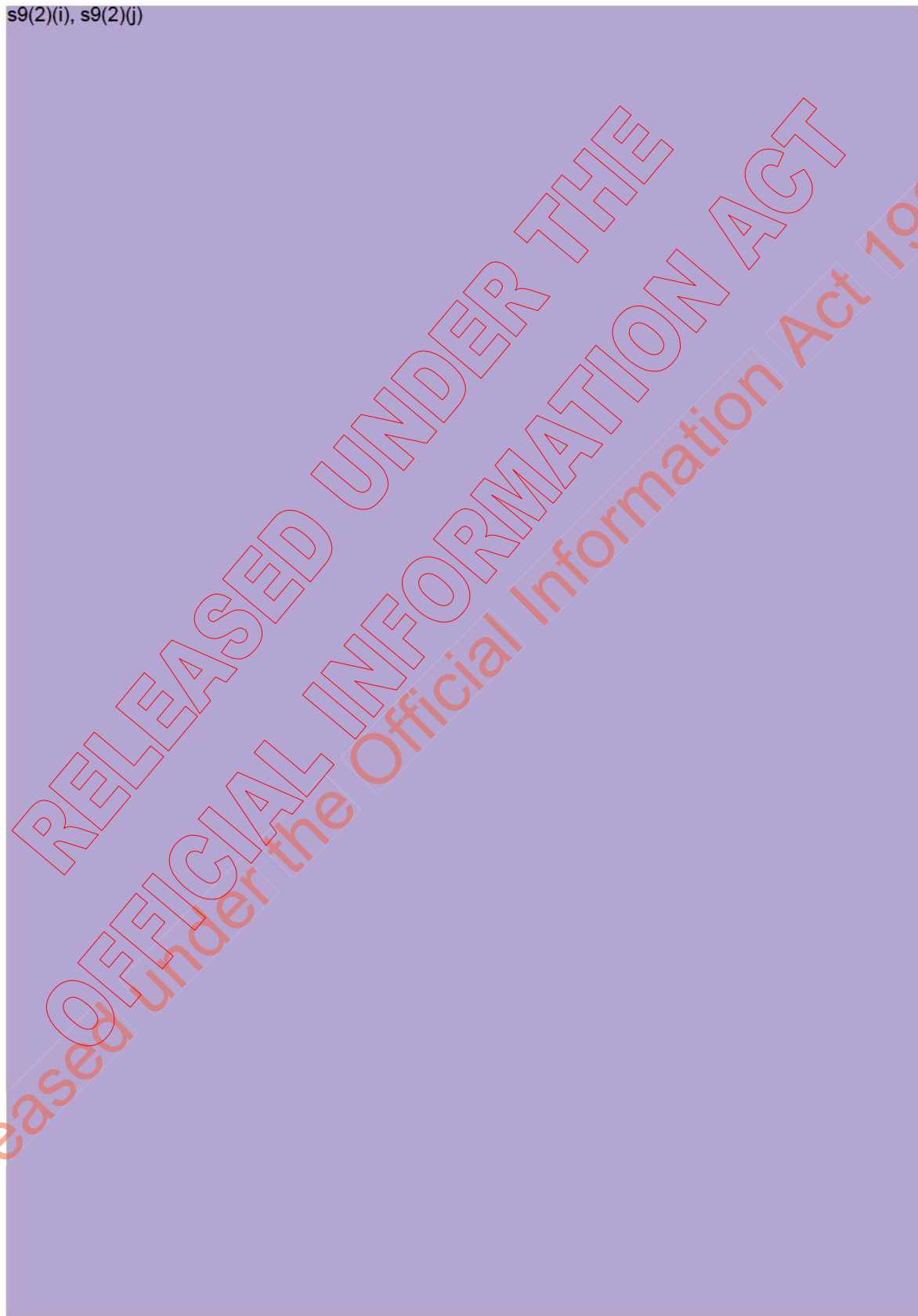
*Convention Centre*

18. In relation to the design, build and maintenance of the Convention Centre, the Crown will contract with Plenary (refer **Attachment C**: s3.2) under a Project Agreement, which sets out the technical, commercial and legal terms of the transaction. s9(2)(i), s9(2)(j)

19. s9(2)(i), s9(2)(j)

20.

s9(2)(i), s9(2)(j)



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s9(2)(i), s9(2)(j)

*Alternative options to the Plenary deal*

28. CERA has identified and investigated a number of alternative options for delivering the Convention Centre and the Precinct, including:

- *Return to market for an alternative provider* - CERA completed an exercise to determine the cost to deliver a Convention Centre of the same scope and specification with an alternative provider. s9(2)(i), s9(2)(j)

[Redacted]

- *Reassess the Project Objectives* s9(2)(i), s9(2)(j)

[Redacted]

29.

**Accor Limited: Operating the Convention Centre Business**

30. The Operator Agreement for the conventions business is a fee for service contract, with Accor acting as agent for the Crown as owner of the Convention Centre (refer: Attachment C: s3.3). s9(2)(i), s9(2)(j), s9(2)(b)(ii)  
s9(2)(i), s9(2)(j)

[Redacted]

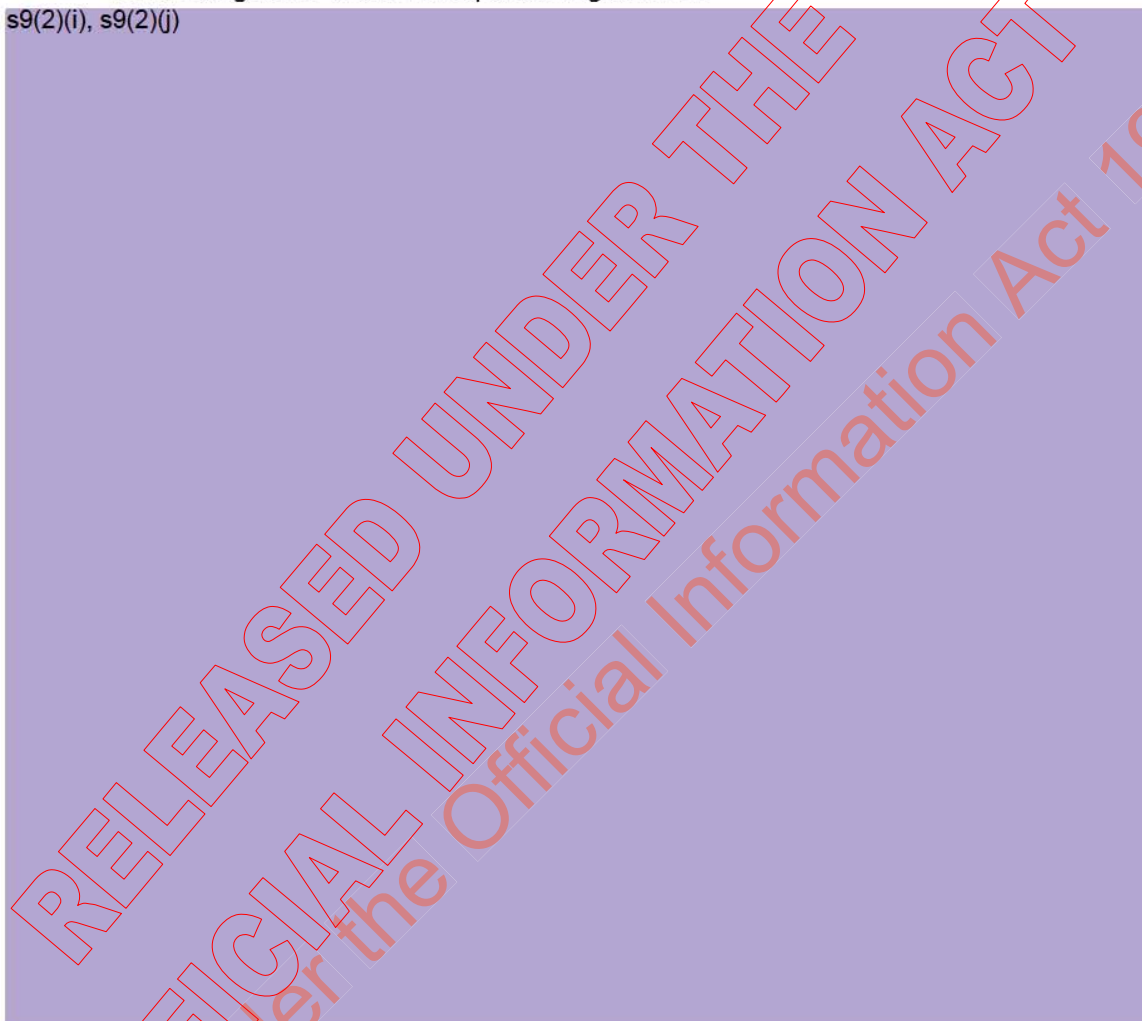
31.

32. The performance targets for Accor are based on key performance indicators, which are linked to the Project Objectives. These include targeting international event activity, maximising the utilisation of the Convention Centre, constantly maintaining a high level of service, and attracting events that support the national/regional growth agendas and priority sectors.



- 33. Accor will operate the conventions business through a special purpose vehicle, whose parent company, AAPC Properties Pty Limited, will provide a guarantee for its obligations under the Operator Agreement.

s9(2)(i), s9(2)(j)



**Process**

- 39. CERA is working towards a contractual close date with Plenary of 15 April 2016. The Project Agreement will not be executed on this date unless Plenary and the Crown have agreed commercial terms to the Crown's satisfaction. In the case that agreement cannot be reached, officials will provide further advice on a process for completing the negotiations and handing the project to the inheriting agency for signing the Project Agreement. s9(2)(i), s9(2)(j)

- 40. Due to the compression of time for the detailed negotiation phase of the Project, the construction contract between Plenary and ProBuild will not be completed by 15 April. While this is a standard condition precedent in the template contract, the timeframe for satisfying it has been extended in this situation. As such, the Project Agreement is a conditional contract until this, and the other standard conditions precedent, have been satisfied.

41. s9(2)(g)(i)
42. Following satisfaction of the conditions precedent, the Project Agreement will become unconditional, and Plenary will be required to deliver the Crown's Requirements within the project budget. s9(2)(g)(i)
43. The Project Agreement will not be signed on 15 April unless the Crown and Plenary agree commercial terms. In this situation, CERA will recommend that a Heads of Agreement is signed, setting out what has been agreed with Plenary; what remains to be agreed, and the process for achieving this. The Project would then transfer to the inheriting agency, which would need to sign the Project Agreement once outstanding items have been resolved. The risks of this approach are outlined in the risk section below.

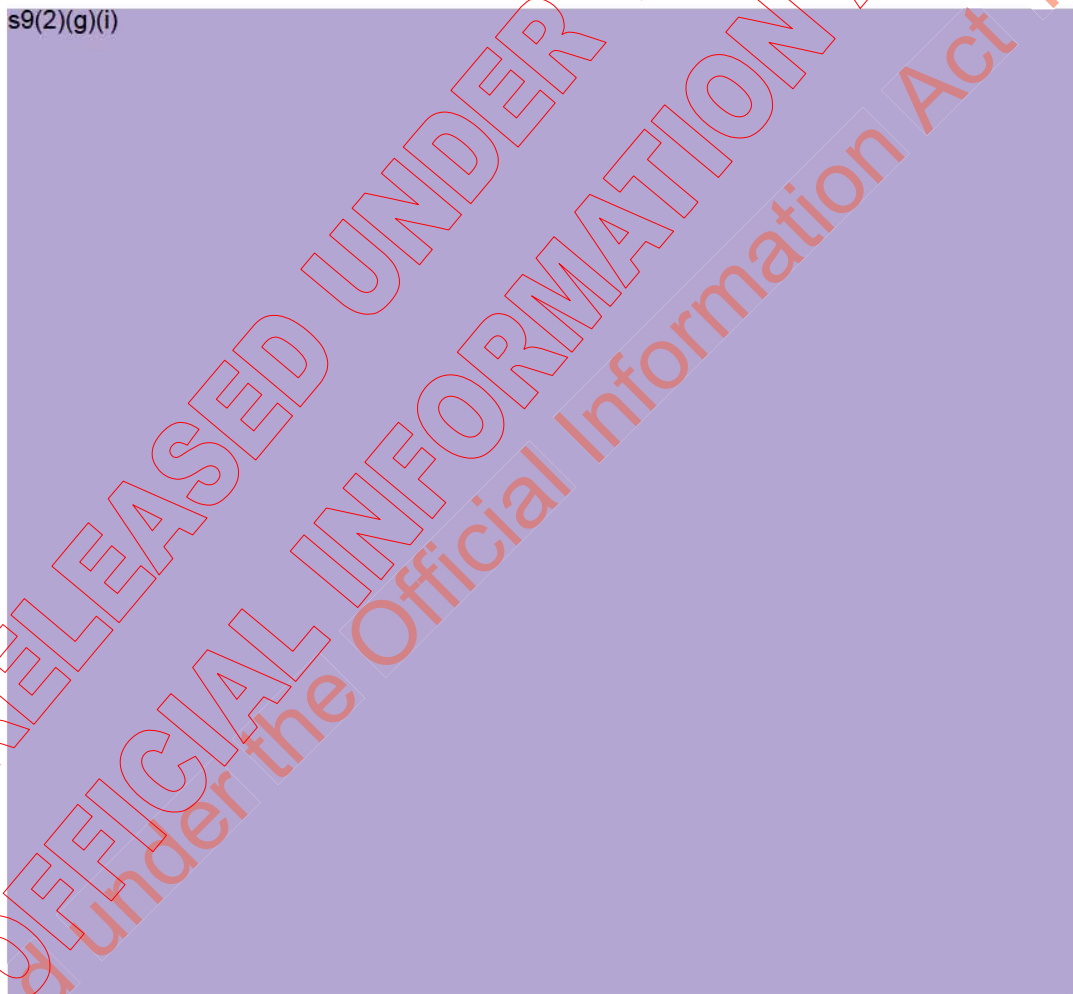
**Risks**

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44. A number of process risks exist to finalising the procurement for the Convention Centre and the Precinct:

s9(2)(g)(i), s9(2)(i)

- 45. When the commercial deals are signed, they will transfer risks to the parties best able to manage them. Under the risk allocation set out in the Project and Operator Agreements, the Crown will retain a number of risks. The inheriting agency will need to manage these residual risks; a plan for which has been set out in full in the Management Case of the Implementation Business Case (refer **Attachment C**: Section 5.6), as well as the detailed risk register (refer **Attachment C**: Appendix L).
- 46. The key residual risks to the Crown are summarised below.



- 47. The inheriting agency will monitor and mitigate these risks as part of its programme risk management plan. This has been discussed with the Chair of Ōtākaro Limited and the Establishment Unit as part of the transition preparation, should the Project be accepted by the Ōtākaro Board. Details (including mitigation strategies and risk owners) have been included in the Management Case of the Implementation Business Case (**Attachment C**: Section 5).

- 48.

s9(2)(ba)(ii), s9(2)(g)(i)

### Financial Implications

49. The expenditure associated with finalising the procurement of the Convention Centre and the Precinct (refer **Attachment C: Section 4**) will be met by the reprioritisation of existing funding.
50. The following table (Table 1) sets out the changes in the funding proposal since August 2015. The changes in the land estimate specified in the table between August 2015 and March 2016 is a reduction as a result of the estimated compulsory and other acquisition costs made in 2015 not coming to fruition.

*Table 1: Required changes to the Christchurch Convention Centre funding*

Christchurch Convention Centre	August 2015	March 2016	Additional Costs / (Savings)
	\$m	\$m	\$m
Land acquisition necessary for the development of the Christchurch Convention Centre precinct (included both actual and forecast)	77,000	67,000	(10,000)
Crown's cost to progress development to the design and construction			
Enabling works in preparing the site for the development			
Furniture Fittings Equipment and Other Fees			
Cost of design and construction			
Asset and facility management expenses			
Operating costs for the operator			
<b>Total (excluding land)</b>			
<b>Total (including land)</b>			

51. Increases in the cost for the delivery of the Convention Centre and Precinct will be met from a reprioritisation of cost from the funding set aside for the acquisition of land for anchor projects. The area of land needed for all anchor projects has been scaled back through changes in the areas designated, allowing for funds to be reassigned to other project costs.

52. s9(2)(g)(i)

53. The changes in appropriation that will be necessary to provide for the increase in the Convention Centre fiscal envelope, with no impact on the operating budget or net debt over the forecast period, are set out in Table 2 below.

## Required appropriation changes for the Convention Centre Precinct

Table 2: Proposed appropriation changes

Vote Canterbury Earthquake Recovery Minister for Canterbury Earthquake Recovery	\$m - increase/(decrease)					
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Multi-category Expense and Capital Expenditure: Development of Central City Anchor Projects (MCA) Non-Departmental Other Expenses Christchurch Convention Centre - Operating			s9(2)(i), s9(2)(j)			
Non-Departmental Capital Expenditure Christchurch Convention Centre - Capital	10.500					
<b>Total Multi-category Expense and Capital Expenditure Development of Central City Anchor Projects (MCA)</b>	<b>10.500</b>					
Multi-category Expense and Capital Expenditure: Procurement and Preparation of Land and Other Assets for the Development of Anchor Projects (MCA) Non-Departmental Capital Expenditure Acquisition of Land and Other Assets - Capital:						
<b>Total Multi-category Expense and Capital Expenditure Procurement and Preparation of Land and Other Assets for the Development of Anchor Projects (MCA)</b>	<b>(38.100)</b>					
Total Operating	-					
Total Capital	(27.600)					

54. Changes to the tagged capital and operating contingency funds for the Convention Centre are set out in Table 3 below. s9(2)(i), s9(2)(j) will be released from the tagged capital contingency, and s9(2)(i), s9(2)(j) will be released from tagged operating contingency. Note that Table 3 includes an operating to capital swap of s9(2)(i). This does not impact the total contingency amount that Cabinet agreed to set aside in September 2015 (CAB-15-MIN-0094 refers) and, therefore, has no impact on fiscal allowances, but does change the ratio of capital and operating appropriations required for the project.

**Required changes required to tagged contingency funding for the Convention Centre Precinct**

**Table 3: Required changes to tagged contingency for Convention Centre Precinct**

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	
	\$m - increase/(decrease)														
Vote Canterbury Earthquake Recovery Minister for Canterbury Earthquake Recovery															
Multi-category Expenditure:		s9(2)(i), s9(2)(j)													
Development of Central City Anchor Projects (MCA)		-													
Non-Departmental Other Expenses		-													
Christchurch Convention Centre - Operating		-													
<b>Non-Departmental Capital Expenditure</b>	<b>5,500</b>	-													
Christchurch Convention Centre - Capital		-													
<b>Total Multi-category Expenditure</b>	<b>5,500</b>	-													
Development of Central City Anchor Projects (MCA)		-													
<b>Total Operating</b>	<b>-</b>	-													
<b>Total Capital</b>	<b>5,500</b>	-													

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## Next steps

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55. The key actions between the time this paper is approved, and 15 April include:
- Joint Ministers paper approved Thursday 7 April
  - Fixed price to be communicated to Plenary is agreed with project governance and notified to key stakeholders Friday 8 April
  - Fixed price communicated to Plenary Monday 11 April
  - Commercial negotiations completed Wednesday 13 April
  - Contract signed Friday 15 April.
56. It is critical that approval to this paper is received by 7 April 2016. Without this approval the necessary steps to reach contractual close by 15 April cannot be achieved in the available timeframe.

## Communication

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57. To ensure that the satisfaction of the conditions precedent is not compromised, CERA strongly recommends that there is no official announcement of the signing of the contract with Plenary. s9(2)(g)(i)

## Consultation

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58. Officials from the Treasury, MBIE, and private sector specialists have been consulted in the preparation of this paper. The Department of the Prime Minister and Cabinet has been informed. Central agencies may wish to provide Joint Ministers with advice under separate cover in relation to the specific proposals covered in this paper.
59. The Chairman of Ōtākaro Limited and the Ōtākaro Establishment Unit have been briefed regularly throughout the negotiation period.
60. Treasury officials have contributed to the development of the commercial deals as outlined in this paper.
61. MBIE officials have contributed to the development of the designs and commercial deals outlined in this paper and consider the proposals should deliver a Convention Centre and Precinct that will bring economic benefits for Christchurch and New Zealand.

## Recommendations

---

62. It is recommended that you:

<sup>1</sup> Note that in September 2015, Cabinet set a fiscal envelope for the Convention Centre project of s9(2)(i), s9(2)(j) [CAB-15-MIN-0094 refers].

2 s9(2)(g)(i)

3 Note that on 21 March 2016, Cabinet granted Power to Act to the Prime Minister, Minister of Finance, Minister for Canterbury Earthquake Recovery and the Minister for Economic Development [CAB 16-MIN-0123 refers] to take decisions to conclude the negotiations on the development of the Christchurch Convention Centre.

4 Note that the cost to acquire the land for the Convention Centre Precinct is \$67.000 million.

5 Note that the total cost of land and development will be s9(2)(i), s9(2)(j)

6 Agree the approved fiscal envelope for the Christchurch Convention Centre be increased by s9(2)(i), s9(2)(j) (comprising s9(2)(i), s9(2)(j) capital expenditure and s9(2)(i), s9(2)(j) operating expenses) to a total s9(2)(i), s9(2)(j) to deliver a Convention Centre and Precinct that realises the Project Objectives sought from this Crown investment, with a corresponding decrease in the Anchor Project Land Acquisition funding.

Rt Hon John Key  
YES / NO

Hon Bill English  
YES / NO

Hon Gerry Brownlee  
YES / NO

Hon Steven Joyce  
YES / NO

7 Approve the required s9(2)(i), s9(2)(j) capital and the s9(2)(i), s9(2)(j) working capital to be funded by changes in appropriation to provide for the decisions above, with no impact on the operating balance or net debt over the forecast period, as set out in Table 2 (paragraph 53).

Rt Hon John Key  
YES / NO

Hon Bill English  
YES / NO

Hon Gerry Brownlee  
YES / NO

Hon Steven Joyce  
YES / NO

8 Agree that the proposed changes to appropriation for 2015/16 as set out in Table 2 (paragraph 53) of this paper be included in the 2015/16 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.

Rt Hon John Key  
YES / NO

Hon Bill English  
YES / NO

Hon Gerry Brownlee  
YES / NO

Hon Steven Joyce  
YES / NO



9 Agree to the release of s9(2)(i), s9(2)(j) from the Christchurch Convention Centre tagged capital contingency for the development of the Christchurch Convention Centre.

Rt Hon John Key  
YES / NO

Hon Bill English  
YES / NO

Hon Gerry Brownlee  
YES / NO

Hon Steven Joyce  
YES / NO

10 Agree to the release of s9(2)(i), s9(2)(j) from the Christchurch Convention Centre tagged operating contingency for the development of the Christchurch Convention Centre.

Rt Hon John Key  
YES / NO

Hon Bill English  
YES / NO

Hon Gerry Brownlee  
YES / NO

Hon Steven Joyce  
YES / NO

11 Approve the changes in appropriation as set out in Table 3 (paragraph 54) to provide for the decisions above, with a corresponding reduction in the Christchurch Convention Centre tagged operating and capital contingencies.

Rt Hon John Key  
YES / NO

Hon Bill English  
YES / NO

Hon Gerry Brownlee  
YES / NO

Hon Steven Joyce  
YES / NO

12 Agree that the operating expenses as set out in Table 3 be a charge against the Christchurch Convention Centre tagged operating contingency established as part of Budget 2013 and CAB-15-MIN-0094.

Rt Hon John Key  
YES / NO

Hon Bill English  
YES / NO

Hon Gerry Brownlee  
YES / NO

Hon Steven Joyce  
YES / NO

13 Note that the total operating funding appropriated in Table 3 is s9(2)(i), s9(2)(j) less than the operating tagged contingency set aside by Cabinet (CAB-15-MIN-0094).

14 Agree that the capital expenditure of s9(2)(i), s9(2)(j) be a charge against the Christchurch Convention Centre tagged operating and capital contingencies established as part of Budget 2013 and CAB-15-MIN-0094.

Rt Hon John Key  
YES / NO

Hon Bill English  
YES / NO

Hon Gerry Brownlee  
 YES /  NO

Hon Steven Joyce  
 YES /  NO

- 15 Note that the total capital funding appropriated in Table 3 (paragraph 54) is higher than the capital contingency set aside by Cabinet, and, therefore, requires an operating to capital swap of s9(2)(i), s9(2)(j) from the funding left over in the operating contingency (refer recommendation 13 above).
- 16 Agree that the proposed changes to appropriation for 2015/16 outlined in Table 3 (paragraph 54) be included in the 2015/16 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.

Rt Hon John Key  
 YES /  NO

Hon Bill English  
 YES /  NO

Hon Gerry Brownlee  
 YES /  NO

Hon Steven Joyce  
 YES /  NO

- 17 Agree that the appropriations in Table 2 and Table 3 be transferred to the new multi-category appropriation being set up in Vote Finance before supplementary and main estimates are finalised in consideration of Vote Canterbury Earthquake Recovery being disestablished from 1 July 2016.

Rt Hon John Key  
 YES /  NO

Hon Bill English  
 YES /  NO

Hon Gerry Brownlee  
 YES /  NO

Hon Steven Joyce  
 YES /  NO

- 18 Agree that authority is given to the Acting Chief Executive of the Canterbury Earthquake Recovery Authority to sign, on behalf of the Crown, the commercial deal set out in this paper with Plenary Conventions New Zealand (paragraphs 18 – 27) and detailed in the Implementation Business Case, by 15 April 2016.

Rt Hon John Key  
 YES /  NO

Hon Bill English  
 YES /  NO

Hon Gerry Brownlee  
 YES /  NO

Hon Steven Joyce  
 YES /  NO

- 19 Note that if the deal with Plenary cannot be signed by 15 April, 2016 it will be transferred to the inheriting agency to complete the negotiation process.
- 20 Note that the contract with AAPC Properties Pty Limited (as set out in paragraphs 30 – 35) will be signed by the inheriting agency once the Operating Agreement is negotiated.

21 **Invite** the Minister for Canterbury Earthquake Recovery to report back to the Cabinet Economic Growth and Infrastructure Committee in July 2016 on the transition of the Convention Centre Project to the inheriting agency.

*Baden Ewart*

Baden Ewart  
 Director, Christchurch Central Development Unit

NOTED / APPROVED / NOT APPROVED	NOTED / APPROVED / NOT APPROVED
Rt Hon John Key <b>Prime Minister</b>	Hon Bill English <b>Minister of Finance</b>
Date: / / 2016	Date: 11 / 4 / 2016

NOTED / APPROVED / NOT APPROVED	NOTED / APPROVED / NOT APPROVED
Hon Gerry Brownlee <b>Minister for Canterbury Earthquake Recovery</b>	Hon Steven Joyce <b>Minister for Economic Development</b>
Date: 06/04 / 2016	Date: / / 2016

- Attachment A: Plenary Design Improvements
- Attachment B: Scope and scale of the Convention Centre
- Attachment C: Implementation Business Case

**Attachments withheld under sections 9(2)(i) and 9(2)(j)**

**From:** Mike Shatford <Mike.Shatford@parliament.govt.nz>  
**Sent:** Tuesday, 5 April 2016 9:53 a.m.  
**To:** Elizabeth Scurr [TSY]  
**Cc:** Liz Innes [TSY]  
**Subject:** RE: Cabinet report back

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Hi

Yes –if Joint Ministers agree to the fixed price (incorporating the AT).

Mike

---

**From:** Elizabeth Scurr [TSY] [mailto:Elizabeth.Scurr@treasury.govt.nz]  
**Sent:** Tuesday, 5 April 2016 9:50 a.m.  
**To:** Mike Shatford  
**Cc:** Liz Innes [TSY]  
**Subject:** Cabinet report back

[SEEMAIL][SENSITIVE]

Hi Mike

In the attached Cab minute, the second rec implies a report back on Monday before the contract is signed. Was the intention for your Minister to take an oral item? Sorry, I just didn't want it to slip through the cracks with everything going on.

Regards  
Betty

---

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**From:** Brent Gray <brent.gray@otakarold.co.nz>  
**Sent:** Friday, 20 May 2016 7:04 a.m.  
**To:** Liz Innes [TSY]; Andrew Kibblewhite [DPMC]; simon@allen.org.nz; 'Roger Wigglesworth'; Elizabeth Scurr [TSY]; s9(2)(g)(i) [DPMC]; Kelvan Smith [DPMC]; Angela Graham [TSY]; mike.shatford@parliament.govt.nz  
**Cc:** Albert Brantley; Richard Sudell; Sarah Sinclair; Blake Lepper  
**Subject:** Fwd: Bullet points following Central Agency briefing [MERW-MERWLIB.FID1042303]

All, please see advise from MERW as discussed in yesterday meetings. Any questions please let me know, thanks  
Brent

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From: Sarah Sinclair <[sarah.sinclair@minterellison.co.nz](mailto:sarah.sinclair@minterellison.co.nz)>  
Sent: Thursday, May 19, 2016 6:37 PM  
Subject: Bullet points following Central Agency briefing [MERW-MERWLIB.FID1042303]  
To: Brent Gray <[brent.gray@otakarold.co.nz](mailto:brent.gray@otakarold.co.nz)>, Blake Lepper <[blake.lepper@otakarold.co.nz](mailto:blake.lepper@otakarold.co.nz)>  
Cc: Sarah Sinclair <[sarah.sinclair@minterellison.co.nz](mailto:sarah.sinclair@minterellison.co.nz)>, <[brent.gray@nz.ey.com](mailto:brent.gray@nz.ey.com)>

Dear Brent and Blake,

Following our discussion with Central Agencies this morning, the requested bullet point summary follows:

s9(2)(h)



Sarah

**Sarah Sinclair** Partner

t+64 9 [353 9984](tel:3539984) f+64 9 [353 9701](tel:3539701) s9(2)(a)

**Minter Ellison Rudd Watts Lawyers** Lumley Centre• 88 Shortland Street• Auckland 1010

[sarah.sinclair@minterellison.co.nz](mailto:sarah.sinclair@minterellison.co.nz) [www.minterellison.co.nz](http://www.minterellison.co.nz)



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**From:** Brent Gray <brent.gray@otakarold.co.nz>  
**Sent:** Monday, 30 May 2016 3:41 p.m.  
**To:** mike.shatford@parliament.govt.nz; s9(2)(g)(i) [DP C]  
**Cc:** Albert Brantley; Andrew Kibblewhite [DPMC]; Liz Innes [TSY]; Sarah Sinclair (Sarah.Sinclair@minterellison.co.nz)  
**Subject:** PCNZ Standalone Agreement  
**Attachments:** s9(2)(h)

Mike/ [1] updated standalone agreement after review and consideration from the legal team, Albert and I.

Thanks Brent

Brent Gray | Development Director | Ōtākaro Limited

E: [Brent.Gray@otakarold.co.nz](mailto:Brent.Gray@otakarold.co.nz) | DDI: +64 3 357 6308 | s9(2)(a)  
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[1] - s9(2)(g)(i)

**From:** Brent Gray <brent.gray@otakarold.co.nz>  
**Sent:** Tuesday, 31 May 2016 3:39 p.m.  
**To:** mike.shatford@parliament.govt.nz  
**Cc:** s9(2)(g)(i) [DPMC]; Liz Innes [TSY]; Albert Brantley  
**Subject:** FW: Emailing - CCCP Standstill letter.pdf  
**Attachments:** s9(2)(b)(ii)

FYI – will keep you posted of any updates. Thanks Brent

---

**From:** Brent Gray  
**Sent:** Tuesday, 31 May 2016 3:38 PM  
**To:** Paul Crowe <Paul.Crowe@plenarygroup.com.au>  
**Cc:** Blake Lepper <blake.lepper@otakarold.co.nz>; Sarah Sinclair (Sarah.Sinclair@minterellison.co.nz) <Sarah.Sinclair@minterellison.co.nz>; Albert Brantley <albert.brantley@otakarold.co.nz>; 'Warwick Taylor' <Warwick.Taylor@plenarygroup.com.au>  
**Subject:** Emailing - CCCP Standstill letter.pdf

Hi Paul,

Please find our letter relating to the standstill agreement. If you can sign and return a copy to confirm acceptance that would be appreciated.

Thanks Brent

Brent Gray | Development Director | Ōtākaro Limited  
E: [Brent.Gray@otakarold.co.nz](mailto:Brent.Gray@otakarold.co.nz) | DDI: +64 3 357 6308 | s9(2)(a)  
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**From:** Brent Gray <brent.gray@otakarold.co.nz>  
**Sent:** Friday, 3 June 2016 8:33 a.m.  
**To:** mike.shatford@parliament.govt.nz  
**Cc:** Albert Brantley; s9(2)(g)(i) [DPMC]; Liz Innes [TSY]  
**Subject:** FW: timeline  
**Attachments:** timeline next week v3.pptx

Mike – FYI – plan for next week.

---

**From:** Brent Gray  
**Sent:** Friday, 3 June 2016 8:18 AM  
**To:** Liz Innes [TSY] <Liz.Innes@treasury.govt.nz>; s9(2)(g)(i) [DPMC]; s9(2)(g)(i) [DPMC]; s9(2)(g)(i) [DPMC] @dpmc.govt.nz  
**Cc:** Albert Brantley <albert.brantley@otakarold.co.nz>  
**Subject:** timeline

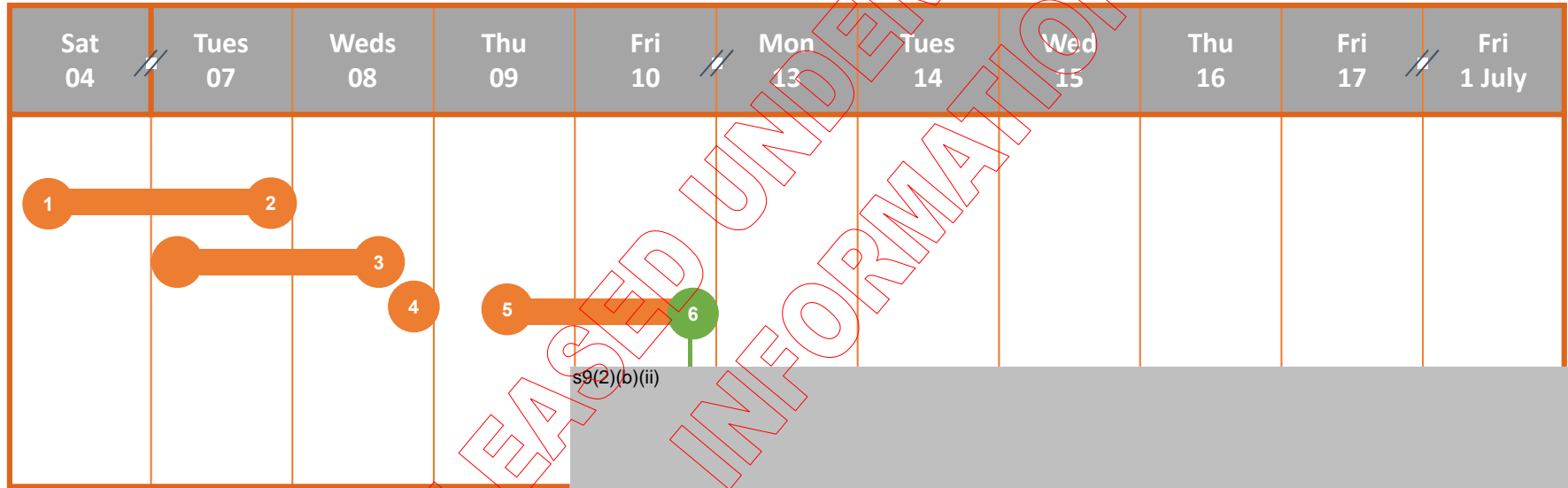
Brent Gray | Development Director | Ōtākaro Limited  
E: [Brent.Gray@otakarold.co.nz](mailto:Brent.Gray@otakarold.co.nz) | DDI: +64 3 357 6308 | s9(2)(a)  
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# Review and Assessment of PCNZ Proposal Timeline – Reporting to Ministers

June 2016



## Key Dates

- 1) **04 June** - Received and check PCNZ final proposal. Project team provide initial email providing an update on content and work required [Action: BG]
- 2) **07 June** - Project team continue through detail assessment of Cost/ Commercial/ Balance of Precinct/Asset and Facilities Management. Conference call update to Ministers Office/DPMC at 5pm. [Action: AB/BG/MERW/Project team]
- 3) **08 June** - TSY Complete final initial draft of Ministerial briefing with input and direction from Project Team. Revised draft documented issued to DPCM and Ministers Office for review 3pm. [Action: LI/BG]
- 4) **08 June** - DPCM and Ministers Office provided review and mark-up to TSY in order to completed Ministers briefing paper by 5pm [Action JS/MS/FC].
- 5) **09 June** - Ministerial briefing meeting scheduled in Christchurch for 1 pm. Attendees to be confirmed. [Action MS].
- 6) **10 June** - s9(2)(b)(ii)
- 7) **10 June** – If there is a Go Decision - Otakaro will issue notice to PCNZ outlining the terms of the decision and commence final negotiations by a target date of 1 July 2016. If a No Decision - Otakaro to issue termination notice under the Process Agreement to PCNZ and commence Transition Phase. [Action: AB/BG/MERW/Project]



**From:** Brent Gray <brent.gray@otakarold.co.nz>  
**Sent:** Tuesday, 7 June 2016 4:09 p.m.  
**To:** Liz Innes [TSY]; Albert Brantley; Blake Lepper  
**Subject:** FW: Overview of cost changes over time  
**Attachments:** 3475615\_1.docx

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**From:** s9(2)(g)(i) c.govt.nz]  
**Sent:** Tuesday, 7 June 2016 4:08 PM  
**To:** Brent Gray <brent.gray@otakarold.co.nz>; Mike Shatford <Mike.Shatford@parliament.govt.nz>; simon@allen.org.nz; Kelvan Smith [DPMC] <Kelvan.Smith@dpmc.govt.nz>  
**Subject:** Overview of cost changes over time

[IN-CONFIDENCE]

Hi all

Please find attached an overview of cost changes on the Con centre. This may well come up in discussion either in our 4.30 meeting, or in the 5pm with the Minister.

Cheers, and thanks to Brent and the team for their help in putting this together.

s9(2)(g)(i)

Brent, can I leave it to you to ensure that the chch contingent has a copy.

s9(2)(g)(i)

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**Overview of Convention Centre Cost Estimates: 7 June**

*Important Early Figures*

- July 2012: Estimate of Precinct cost (including land) s9(2)(b)(ii) [CAB Min (12) 26/8]
- 2013: Partial appropriation: s9(2)(b)(ii) [CAB Min (13) 41/2].
- March 2015: PCNZ submit mid-stage review. s9(2)(b)(ii) Project subsequently re-set.

*Breakdown of Cost: August 2015 to June 2016*

	Aug-15	Apr-16	May-16	Jun-16
	\$m	\$m	\$m	\$m
s9(2)(b)(ii)				

\* The columns do not always add precisely due to rounding. Totals are correct.

## Overview of Convention Centre Cost Estimates: 7 June

### Background Information

1. On 30 July 2012 the Christchurch Central Recovery Plan provided for a Convention Centre Precinct as a major anchor project contributing to recovery as noted by Cabinet. At this time the initial cost estimate for the Project was s9(2)(b)(ii) (including land). The scope, funding, and benefits of investment were not fully explored, though the cost excluding land was estimated at s9(2)(b)(ii). Cabinet appropriated s9(2)(b)(ii) for the precinct. [CAB Min (12) 26/8 refers].
2. In 2013 a detailed business case for the Convention Centre was presented to Cabinet, which estimated a budget of s9(2)(b)(ii) would be needed to deliver the convention centre (without the balance of precinct). [CAB Min (13) 41/2 refers].
3. In 2014 two contracts were awarded to Accor Hotels Ltd (operator) and PCNZ as development consortia consisting of Plenary Conventions from Australia, Ngai Tahu Property Ltd and Carter Group.
4. In March 2015 PCNZ submitted their mid-stage review design package which collated all design documentation into a stage gate approval package. The mid-stage review design collateral and supporting construction cost estimates for both the facility and the Balance of Precinct totalled s9(2)(b)(ii).
5. CERA decided to re-set the project. This led to reduced scope s9(2)(b)(ii) & s9(2)(j) s9(2)(b)(ii) & s9(2)(j) and a smaller facility to manage cost pressures. In September 2015 the project team revised a business case and prepared a Cabinet paper seeking approval to (amongst other things), a fixed budget for the whole project;
6. In November 2015, Cabinet agreed funding for the Convention Centre of s9(2)(b)(ii) s9(2)(b)(ii) excluding land s9(2)(b)(ii) including land).
7. In December 2015 PCNZ submitted an interim proposal that consisted of 3 options; but none of these could both meet requirements, and be delivered with the level of funding agreed by Cabinet. The Project Team sought sufficient clarity from PCNZ as to the implication each held to the overall commercial/ technical proposition.
8. CERA continued to negotiate with PCNZ and on 12 February presented 3 revised options for consideration by Ministers:
  - a. **Option One** (5 star facility) is s9(2)(b)(ii) above the level of funding agreed by Cabinet. It met most requirements with minor compromises.
  - b. **Option Two** (4.5 star facility) was s9(2)(b)(ii) above the level of funding agreed by Cabinet, and was considered acceptable as it has an iconic facade (though not wrapped around the entire building) and high-quality finish, met most requirements with some compromise to size and scope, but still retains the ability to host 1400 delegates, which was considered a key requirement by CERA.

- c. **Option Three** (3 star facility) was within the level of funding agreed by Cabinet, but CERA advised this was not considered acceptable as it compromises the quality of finish, the size of the venue, and the ability to hold events concurrently. CERA considered this option would reduce revenue, and expected economic benefits associated with precinct activation and international conferences. This option also carried more commercial risk for the Crown than the others, where more risk would be transferred to PCNZ.
9. On 16 February 2016, Ministers agreed to proceed to negotiations, (Go decision) despite funding shortfalls of approximately s9(2)(b)(ii) for the construction of Convention Centre by PCNZ, and s9(2)(b)(ii) for the operation of the facility by Accor.
10. On 6 April 2016, CERA reported to Joint Ministers regarding the Christchurch Convention Centre and negotiations with Plenary Conventions New Zealand (PCNZ) and Accor. Joint Ministers noted that the total cost of land and development would be s9(2)(b)(ii) excluding land), and agreed to increase the fiscal envelope by s9(2)(b)(ii) comprising s9(2)(b)(ii) in capital expenditure and s9(2)(b)(ii) in operating expenses.
11. On 11 May, PCNZ indicated significant pricing pressures of approximately s9(2)(b)(ii) well outside the level of funding agreed by Cabinet. More precise figures were provided by PCNZ and on 23 May 2016, Otakaro reported that the cost of the project was s9(2)(b)(ii) excluding land, or s9(2)(b)(ii) including land.
12. On 3 June, PCNZ submitted a revised price of s9(2)(b)(ii) for design / construction and asset & facility management. This brings the total price to s9(2)(b)(ii) without land, and s9(2)(b)(ii) including land.

**From:** Simon Duncan <Simon.Duncan@parliament.govt.nz>  
**Sent:** Tuesday, 7 June 2016 10:52 a.m.  
**To:** Liz Innes [TSY]  
**Subject:** RE: Initial review and Update on PCNZ Final Offer

Thanks for this Liz – when you are free feel free to give me a call, I have a little bit of feedback

Simon

**Simon Duncan | Economic Advisor**  
Office of Hon Bill English | Deputy Prime Minister, Minister of Finance  
7.6 Beehive, Parliament Buildings, PO Box 18041, Wellington 6160, New Zealand  
T: 04 817 9425 | s9(2)(a) F: 04 817 6501 | E: [simon.duncan@parliament.govt.nz](mailto:simon.duncan@parliament.govt.nz)

---

**From:** Liz Innes [TSY] [<mailto:Liz.Innes@treasury.govt.nz>]  
**Sent:** Monday, 6 June 2016 1:35 p.m.  
**To:** Simon Duncan  
**Subject:** FW: Initial review and Update on PCNZ Final Offer

[SEEMAIL][SENSITIVE]

Simon, FYI also – happy to help interpret if needed. s9(2)(a)

Kind regards,  
Liz

**Liz Innes | Senior Advisor, Investment Frameworks | The Treasury**  
Tel: +64 4 917 7029 | [Liz.Innes@treasury.govt.nz](mailto:Liz.Innes@treasury.govt.nz)

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**From:** Brent Gray [<mailto:brent.gray@otakarold.co.nz>]  
**Sent:** Saturday, 4 June 2016 9:33 a.m.  
**To:** Albert Brantley <[albert.brantley@otakarold.co.nz](mailto:albert.brantley@otakarold.co.nz)>  
**Cc:** Liz Innes [TSY] <[Liz.Innes@treasury.govt.nz](mailto:Liz.Innes@treasury.govt.nz)>; Sarah Sinclair ([Sarah.Sinclair@minterellison.co.nz](mailto:Sarah.Sinclair@minterellison.co.nz)) <[Sarah.Sinclair@minterellison.co.nz](mailto:Sarah.Sinclair@minterellison.co.nz)>; s9(2)(g)(i) >; ^Parliament: Felicity Cuzens <[felicity.cuzens@parliament.govt.nz](mailto:felicity.cuzens@parliament.govt.nz)> s9(2)(g)(i) >; [mike.shatford@parliament.govt.nz](mailto:mike.shatford@parliament.govt.nz); Andrew Kibblewhite [DPMC] <[Andrew.Kibblewhite@dpmc.govt.nz](mailto:Andrew.Kibblewhite@dpmc.govt.nz)>  
**Subject:** Initial review and Update on PCNZ Final Offer

Hi Albert and all, as discussed please see initial assessment of the proposal from PCNZ.

**Key themes about the submission:**

- s9(2)(b)(ii)
- The revised submission has been sent as a ‘standalone’ submission – it replaces rather than builds on the March 16 work.
- As a result, there is circa 5000 pages of reviewable material the Project Team will need to work through to get a full view of the proposal.

**The revised submission contains:**

- A full detailed financial model
- A revised draft of the Project Agreement and each of the 28 Schedules. This is a substantial amount of drafting that is going to take some time to review.
- A full revised design submission (over 500mb) that is going to take some time to process. It is not apparent of the face of this design drop what changes have been made and whether they are material. The Ōtākaro project team may need to arrange a conference call with the PCNZ design team in order to ensure all changes are identified and can be assessed.
- A new design for the Balance of Precinct that will need to be considered as to how it may impact the convention centre business plan

s9(2)(b)(ii), s9(2)(h) & s9(2)(j)

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s9(2)(b)(ii), s9(2)(h) & s9(2)(h)



Thanks Brent

**Brent Gray | Development Director | Ōtākaro Limited**

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**From:** Simon Duncan <Simon.Duncan@parliament.govt.nz>  
**Sent:** Wednesday, 8 June 2016 1:35 p.m.  
**To:** Liz Innes [TSY]  
**Subject:** RE: Briefing for Minister 8 June.PPTX

Thanks Liz

**Simon Duncan | Economic Advisor**  
Office of Hon Bill English | Deputy Prime Minister, Minister of Finance  
7.6 Beehive, Parliament Buildings, PO Box 18041, Wellington 6160, New Zealand  
T: 04 817 9425 | s9(2)(a) | F: 04 817 6501 | E: [simon.duncan@parliament.govt.nz](mailto:simon.duncan@parliament.govt.nz)

---

**From:** Liz Innes [TSY] [mailto:Liz.Innes@treasury.govt.nz]  
**Sent:** Wednesday, 8 June 2016 1:26 p.m.  
**To:** Simon Duncan  
**Cc:** Elizabeth Scurr [TSY]; Angela Graham [TSY]; Jason Webber [TSY]; s9(2)(g)(i) [DPMC]; Andrew Kibblewhite  
**Subject:** Briefing for Minister 8 June.PPTX

[IN-CONFIDENCE]

Hi all,

Otakaro has prepared the attached briefing for Minister Brownlee, who we are meeting at 4:00 this afternoon. This has now been provided to Min Brownlee's office.

I expect Min Brownlee to discuss this with MOF in the next few days.

If you have any questions or comments for me, please feel free to get in touch on s9(2)(a)

Kind regards,  
Liz

**Liz Innes | Senior Advisor, Investment Frameworks | The Treasury**  
Tel: +64 4 917 7029 | [Liz.Innes@treasury.govt.nz](mailto:Liz.Innes@treasury.govt.nz)

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**From:** Brent Gray <brent.gray@otakarold.co.nz>  
**Sent:** Wednesday, 8 June 2016 1:25 p.m.  
**To:** Liz Innes [TSY]  
**Subject:** FW: BoP slide.pptx  
**Attachments:** s9(2)(b)(ii)

---

**From:** Brent Gray  
**Sent:** Wednesday, 8 June 2016 1:24 PM  
**To:** 'felicity.cuzens@parliament.govt.nz' <felicity.cuzens@parliament.govt.nz>  
**Cc:** Albert Brantley <albert.brantley@otakarold.co.nz>; mike.shatford@parliament.govt.nz  
**Subject:** BoP slide.pptx

As mentioned – please find the diagram of the Balance of Precinct  
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**From:** s9(2)(g)(i)  
**Sent:** Friday, 10 June 2016 3:24 p.m.  
**To:** Mike Shatford  
**Cc:** Andrew Kibblewhite [DPMC]; Brent Gray; Liz Innes [TSY]  
**Subject:** FW: Preliminary review of PCNZ 3 June Submission Final V2 10 June 2016  
**Attachments:** Preliminary review of PCNZ 3 June Submission Final V2 10 June 2016.docx

[IN-CONFIDENCE]

Hi Mike

As discussed, here is a review of the PCNZ 3 June submission. It has been put together by Otakaro.

s9(2)(g)(i)



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**From:** Mike Shatford <Mike.Shatford@parliament.govt.nz>  
**Sent:** Friday, 10 June 2016 12:14 p.m.  
**To:** s9(2)(g)(i) [DPMC]  
**Cc:** 'Brent Gray'; Angela Graham [TSY]; Liz Innes [TSY]  
**Subject:** RE: Issuing the letter

Hi s9(2)(g)(i)

Confirming – that I have advised PCNZ (Paul Crowe) to expect a letter later today off the back of the discussion between Minister Brownlee and Paul Oppenheim yesterday.

Paul Crowe has acknowledged that to me.

Cheers

Mike

---

**From:** s9(2)(g)(i) @dpmc.govt.nz]  
**Sent:** Friday, 10 June 2016 12:10 p.m.  
**To:** Mike Shatford  
**Subject:** Fw: Issuing the letter

Sent from my BlackBerry 10 smartphone.

---

**From:** Blake Lepper <[blake.lepper@otakarold.co.nz](mailto:blake.lepper@otakarold.co.nz)>  
**Sent:** Friday, 10 June 2016 11:41  
**To:** Liz Innes [TSY]; Brent Gray; [sarah.sinclair@minterellison.co.nz](mailto:sarah.sinclair@minterellison.co.nz); Vimal Nair  
**Cc:** Angela Graham [TSY]; s9(2)(g)(i)  
**Subject:** RE: Issuing the letter

Hi Liz

Updated letter attached. Can you please place on a Treasury letter head.

Thanks

Blake

---

**From:** Liz Innes [TSY] [<mailto:Liz.Innes@treasury.govt.nz>]  
**Sent:** Friday, 10 June 2016 9:33 AM  
**To:** Brent Gray <[brent.gray@otakarold.co.nz](mailto:brent.gray@otakarold.co.nz)>; [sarah.sinclair@minterellison.co.nz](mailto:sarah.sinclair@minterellison.co.nz); Blake Lepper <[blake.lepper@otakarold.co.nz](mailto:blake.lepper@otakarold.co.nz)>  
**Cc:** Angela Graham [TSY] <[Angela.Graham@treasury.govt.nz](mailto:Angela.Graham@treasury.govt.nz)>; s9(2)(g)(i) @dpmc.govt.nz>  
**Subject:** Issuing the letter

Hi all,

Please can you provide an updated letter with signature blocks for both TSY and Otakaro.

The TSY signature will be Angela and once she receives this, she will sign and scan back to you for countersigning and issue to PCNZ.

Angela has confirmed she is ready to sign and doesn't require further information or discussion on this.

Kind regards,  
Liz

**Angela Graham** | Manager, Commercial Advice | **The Treasury**  
Tel: +64 4 917 6115 | s9(2)(a) | [angela.graham@treasury.govt.nz](mailto:angela.graham@treasury.govt.nz)

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**From:** Brent Gray <brent.gray@otakaroltd.co.nz>  
**Sent:** Friday, 10 June 2016 2:19 p.m.  
**To:** Liz Innes [TSY]; s9(2)(g)(i) [DPMC]; ^Parliament: Felicity Cuzens; mike.shatford@parliament.govt.nz  
**Cc:** Albert Brantley  
**Subject:** FW: Christchurch Convention Centre Precinct Project - Extension of Review Process Letter  
**Attachments:** s9(2)(b)(ii)

For your records

---

**From:** Paul Crowe [mailto:Paul.Crowe@plenarygroup.com.au]  
**Sent:** Friday, 10 June 2016 2:15 PM  
**To:** Brent Gray <brent.gray@otakaroltd.co.nz>  
**Cc:** Albert Brantley <albert.brantley@otakaroltd.co.nz>; Angela Graham [TSY] <Angela.Graham@treasury.govt.nz>; Warwick Taylor <Warwick.Taylor@plenarygroup.com.au>  
**Subject:** RE: Christchurch Convention Centre Precinct Project - Extension of Review Process Letter

Hi Brent,

Please see attached counter signed copy.  
Should you have any queries, please let us know

Regards,  
Paul

---

**From:** Brent Gray [mailto:brent.gray@otakaroltd.co.nz]  
**Sent:** Friday, 10 June 2016 11:06 AM  
**To:** Paul Crowe  
**Cc:** Albert Brantley; Angela Graham [TSY]  
**Subject:** Christchurch Convention Centre Precinct Project - Extension of Review Process Letter

Paul,

Please see attached letter relating to the extension of review process through until the 24 Jun 2016 .

If you can please sign and return copy today that would be appreciated.

Regards Brent

Brent Gray | Development Director | Ōtākaro Limited  
E: [Brent.Gray@otakaroltd.co.nz](mailto:Brent.Gray@otakaroltd.co.nz) | DDI: +64 3 357 6308 | s9(2)(a)  
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**From:** s9(2)(g)(i) [DPMC]  
**Sent:** Friday, 10 June 2016 3:29 p.m.  
**To:** Mike Shatford  
**Cc:** Andrew Kibblewhite [DPMC]; Liz Innes [TSY]; Nicola Purvis [DPMC]  
**Subject:** s9(2)(h)  
**Attachments:** s9(2)(h)

Hi Mike

As discussed, please find attached advice provided by DPMC's chief legal officer to Andrew on the legal implications / s9(2)(h)

s9(2)(g)(i)

---

**From:** Nicola Purvis [DPMC]  
**Sent:** Friday, 10 June 2016 12:53 p.m.  
**To:** Andrew Kibblewhite [DPMC] <Andrew.Kibblewhite@dpmc.govt.nz>  
**Cc:** s9(2)(g)(i) [DPMC] <s9(2)(g)(i)@dpmc.govt.nz>; Liz Innes [TSY] <Liz.Innes@treasury.govt.nz>  
**Subject:** s9(2)(h)

[IN-CONFIDENCE]

Hi Andrew

My advice is attached.

Kind regards  
Nicola

**Nicola Purvis**  
Corporate Legal Services Manager  
Office of the Chief Executive  
Department of the Prime Minister and Cabinet  
P +64 4 912 0538  
M s9(2)(a)  
E [nicola.purvis@dpmc.govt.nz](mailto:nicola.purvis@dpmc.govt.nz)



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**From:** s9(2)(g)(i) [DPMC]  
**Sent:** Friday, 10 June 2016 4:46 p.m.  
**To:** Mike Shatford  
**Cc:** Andrew Kibblewhite [DPMC]; Liz Innes [TSY]  
**Subject:** Proposed approach for the next 2 weeks  
**Attachments:** 3522346\_1.docx

[IN-CONFIDENCE]

Hi Mike

See attached the proposed approach for the next couple of weeks. This is the last of the material we discussed earlier.

Regards

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## Description of approach for the next 2 weeks: Convention Centre. 10 June

### Background

s9(2)(b)(ii)

s9(2)(b)(ii)

Officials (Treasury and DPMC) are to provide joint advice to MsGCR & MoF. This advice is to be provided by Friday 17 June at the latest, and ideally earlier. This will allow Ministers to request further advice / information should they so desire, and will also allow sufficient time for relevant Ministers to consider their options carefully.

The advice will be from officials, not Otakaro, but will be informed by Otakaro and information / analysis that Otakaro holds. s9(2)(g)(i) will input into relevant advice. Updates on thinking / information is likely to be provided to the MsGCR (in particular) and Ministerial offices in the interim.

*The goal is to provide Ministers with a well-worked through set of options – including long and short term issues - to facilitate a well-informed decision.*

### Assumptions for the Work

- The Crown is wanting to develop a convention centre / precinct on the site.
- High level scope / design decisions are not revisited.

### Streams of Work Identified

Two overlapping streams of work have been identified:

1. Assessment of PCNZ and alternative approaches: Lead [1] & Liz. This involves consideration of 4 main dimensions:
  - Price
  - Commercial
  - Likely ability to deliver – and indicative approach to assurance of delivery
  - Timeframes
2. s9(2)(b)(ii)

While not a separate workstream, the analysis will consider short-term deliverables from a public viewpoint s9(2)(b)(ii). In doing this work, officials understand and respect the good faith obligations set out in the process agreement with PCNZ.

### Report by 17 June (or earlier)

As s9(2)(b)(ii) ed report is as follows (this could be one or more reports):

1. Background
2. Description of Options
3. Assessment of Options
4. Discussion of possible next steps

The different work streams are to be co-ordinated by [1] with a view that a good draft will be available by the end of Wednesday (15 June) at the very latest.

[1] - s9(2)(g)(i)

**Indicative Important Dates – if diaries permit:**

- Monday 13 June – Discussion with Minister on proposed approach and emergent issues
- Wednesday 15 June – Good draft of advice circulated for comment to officials
- Thursday 16 June – Meeting with Minister to discuss emerging thinking; check issues have been covered
- Friday 17 June – Advice provided to Ministers; earlier if possible
- Monday 20 June – Discussion with Minister(s) on next steps. Identify if more material is required to assist quality discussions with other Ministers
- Between Tuesday 21 June & Friday 24 June – Broader Ministerial discussion. Preparation for decision and next steps.

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## Christchurch Convention Centre Precinct *Project Timeline and Treasury Advice*

This note provides a detailed project history of the Christchurch Convention Centre Precinct and summarises Treasury advice provided to Ministers at each stage in the process.

### Early Planning

1. On 30 July 2012 the Christchurch Central Recovery Plan provided for a Convention Centre Precinct as a major anchor project contributing to recovery as noted by Cabinet. At this time the initial cost estimate for the Project was s9(2)(b)(ii) (including land). The scope, funding, and benefits of investment were not fully explored, though the cost excluding land was estimated at s9(2)(b)(ii). Cabinet appropriated s9(2)(b)(ii) for the precinct. [CAB Min (12) 26/8 refers].
2. **Treasury provided advice on the overall proposals recommended through the Christchurch Central City Recovery Plan and supported the release of small amounts of funding to build momentum and confidence in the recovery.** This was based on an understanding that details of specific projects will be considered through the business case process. In our advice, we also raised key questions for consideration by Ministers on the Government's long-term objectives and role in the recovery of Christchurch, how much they are willing to spend on projects (the fiscal limit), governance arrangements and asset ownership issues.  

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3. In July 2013, the Crown-Christchurch City Council Cost Sharing Agreement was signed, s9(2)(b)(ii) & s9(2)(j)
4. In 2013 a detailed business case for the Convention Centre was presented to Cabinet, which estimated a budget of s9(2)(b)(ii) would be needed to deliver the convention centre only (without the balance of precinct). [CAB Min (13) 41/2 refers].
5. **Treasury supported a capital funding bid in Budget 2013 of <sup>[1]</sup> for the Convention Centre and the subsequent business case.** This funding was not appropriated and was held in a tagged contingency. A potential funding gap of s9(2)(b)(ii) was outlined in the business case with an expectation that this will be met within baselines or considered through Budget 2014.

[1] - s9(2)(b)(ii)

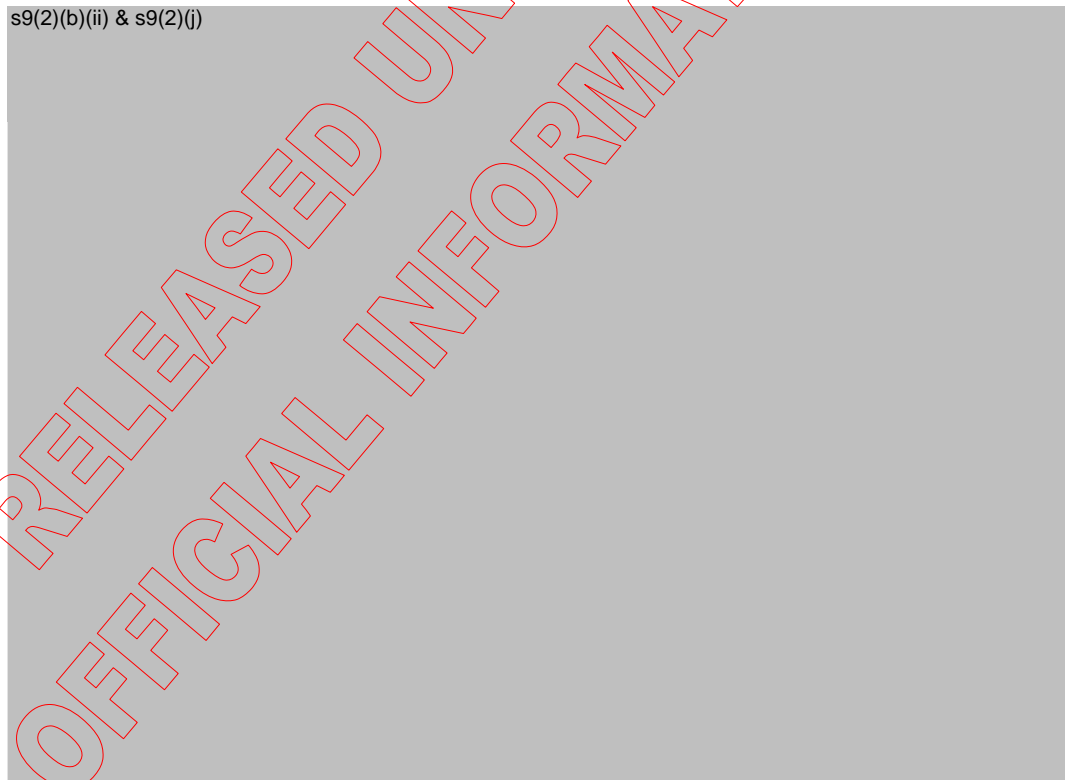
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### Procurement – Approach to Market

6. In 2013 the Project began a procurement process for its Preferred Operator, responsible for the business plan and business operations of the facility, and its Preferred Developer, responsible for the design and construction of the facility and wider precinct.
7. In May 2014 Cabinet noted that four of the five shortlisted consortia had withdrawn from the procurement process (although one of these parties had re-engaged by joining the remaining consortium) and how CERA would proceed with procurement. [CAB Min (14) 17/6 refers].

8. s9(2)(b)(ii) & s9(2)(j)



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#### Emails:

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9. In July 2014 Cabinet noted anticipated issues in the next stage of procurement which may impact the level of funding required to deliver the project, and agreed

to the release of s9(2)(b)(ii) for procurement costs. [EGI Min (14) 178 refers].

10.

s9(2)(b)(ii) & s9(2)(j)

s9(2)(b)(ii) & s9(2)(j)

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### Procurement – Selection

11. In 2014 two contracts were awarded to s9(2)(b)(ii) (operator) and PCNZ as development consortia consisting of Plenary Conventions from Australia, Ngai Tahu Property Ltd and Carter Group. The primary outcomes from the procurement process found that:

s9(2)(b)(ii) & s9(2)(j)

12. Following appointment of the Preferred Developer and the Preferred Operator the Project commenced design and business planning concurrently. PCNZ undertook 11 months of design leading up to the second quarter of 2015.

### Mid-Stage Review

13. In March 2015 PCNZ submitted their mid-stage review design package which collated all design documentation into a stage gate approval package.



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14. The mid-stage review design collateral and supporting construction cost estimates for both the facility and the Balance of Precinct totalled s9(2)(b)(ii) CERA paused the project while the strategy for delivery was reconsidered.
15. CERA decided to re-set the project against a new delivery model based on the Treasury's PPP precedent contract and tested requirements. This led to reduced scope s9(2)(b)(ii) & s9(2)(j) s9(2)(b)(ii) & s9(2)(j)
16. **Treasury provided advice to Finance Ministers in March ahead of Budget 2015, highlighting the risk of further cost pressures for major projects such as the Convention Centre and Metro Sports Facility.** As these projects were still at an early stage and there was a high likelihood of further cost variability, Treasury's advice was to decline any additional capital funding through Budget 2015 until the proposals were more fully developed. A report in August on cost pressures in Vote CER set out the fiscal risks for the Convention Centre in more detail.

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17. **A report prepared by the Major Project Monitoring team at Treasury in July 2015 noted that the Christchurch Central Development Programme was unachievable within its original scope, timeframe and Budget.** This was driven by a number of factors including: planning risks, gaps in cost sharing agreement, uncertainty, and cost escalations. The report recommended a strategic refresh of the blueprint and greater priority on s9(2)(b)(ii) & s9(2)(j) s9(2)(b)(ii) & s9(2)(j)

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18. The Investment Panel also provided similar advice to Investment Ministers in conjunction with the Treasury Report outlined above. The panel was focussed on Christchurch recovery from a Crown investment perspective. A number of actions were recommended to improve delivery of projects including: strengthening governance arrangements, more transparency around investment decisions, consideration of long term fiscal impacts, and clarity around cost sharing and ownership issues. Minister Brownlee attended an Investment Ministers meeting to discuss the contents of the report – much of which he disagreed with.

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### Revised Delivery Approach

19. In August 2015 a new project Director and Project Manager were brought in together with renewed contracts for key suppliers and advisors to commence the detailed design of the Project's new delivery strategy.
20. In September 2015 the project team revised a business case and prepared a Cabinet paper seeking approval to the following:
  - a. A fixed budget (Fiscal Envelope) for the whole project;
  - b. A master contract (Project Agreement) and risk transfer model that sought to transfer all design, construction and asset/ facility management risk to the developer;
  - c. A set of Works Requirements (Functional Out Put Specification) detailing the functional requirements of the facility
21. **Treasury did not support the Government committing additional funding towards the project** until this was supported by a business case justifying the higher level of expenditure and there was more clarity on the relative costs and benefits involved. The initial proposal was for an additional s9(2)(b)(ii) in tagged contingencies taking the total project cost to s9(2)(b)(ii)

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22. Following further discussions, the total cost of the project was reduced and Cabinet agreement was sought to an overall fiscal envelope for the project and the release of some of the existing tagged contingencies to support progress.
23. **Treasury supported the proposals in the paper however recommended that the Minister of Finance table additional recommendations** which (i) required the Minister for Canterbury Earthquake Recovery to report to Cabinet on the specification of the Convention Centre and balance of precinct to form the basis of negotiations and (ii) authorised joint Ministers to vary agreed specifications and balance of precinct to progress negotiations. Treasury also noted at the time the potential for additional costs related to ownership of the facility and depreciation.

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24. In November 2015, Cabinet agreed funding for the Convention Centre of s9(2)(b)(ii) (excluding land) and directed officials to report to Joint Ministers with advice on the specifications for the Convention Centre and Balance of Precinct supported by an updated Business Case. [CAB-15-MIN-0094 refers].

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**Initial Negotiations (informing Go/No-go decision)**

25. In December 2015 PCNZ submitted an interim proposal that consisted of 3 options; but none of these could both meet requirements, and be delivered with the level of funding agreed by Cabinet. An extensive list of commercial and technical derogations accompanied the interim proposal which applied to all 3 options.
26. The Project Team sought sufficient clarity from PCNZ as to the implication each held to the overall commercial/ technical proposition. This proved difficult, and on 16 December 2015 the Minister agreed to delay the interim decision so all positions could be clarified.
27. CERA continued to negotiate with PCNZ and on 12 February presented 3 revised options for consideration by Ministers:

a. s9(2)(b)(ii)

b.

c.

28. On 16 February 2016, Ministers agreed to proceed to negotiations, s9(2)(b)(ii)  
s9(2)(b)(ii)

## IN-CONFIDENCE

29. **Treasury agreed with CERA's assessment and noted that, if a Christchurch Convention Centre is to proceed, CERA should continue with the procurement process and negotiate an acceptable deal with Plenary New Zealand.** We also noted that any increases in funding will need to be considered by Cabinet and go through the Budget process. As previously, risk of further funding shortfalls was also highlighted.

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### Detailed Negotiations

30. On 21 March 2016, Cabinet authorised Joint Ministers to have Power to Act to take decisions to conclude the negotiations on the development of the Christchurch Convention Centre. [CAB-16-MIN-0123 refers].
31. On 6 April 2016, CERA reported to Joint Ministers regarding the Christchurch Convention Centre and negotiations with Plenary Conventions New Zealand (PCNZ) and s9(2)(b)(ii) Joint Ministers noted that the total cost of land and development would be s9(2)(b)(ii), and agreed to increase the fiscal envelope by s9(2)(b)(ii) comprising s9(2)(b)(ii) in capital expenditure and s9(2)(b)(ii) in operating expenses. Ministers were invited to authorise the Acting Chief Executive of the Canterbury Earthquake Recovery Authority to sign an agreement with PCNZ on behalf of the Crown, but they declined to do so.
32. **Treasury supported the use of underspends in Vote CER to fund the shortfall on the condition that an agreement is not signed with Plenary until the price is final.** This would reduce the risk of further pricing changes and funding shortfalls, which require decisions from Cabinet.

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33. On 15 April 2016, the responsibility for the Christchurch Convention Centre transferred to Ōtākaro Limited under a Services Agreement between the Crown and the company. The majority of the core project team from CERA was retained by Ōtākaro.

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34. The project team has continued to negotiate a contract with Plenary Conventions New Zealand (PCNZ). Significant progress has been made in increasing the specificity of the contract, and design of the Balance of Precinct.

**Notice Received Under Process Agreement**

35. On 11 May, s9(2)(g)(i), PCNZ indicated significant pricing pressures of approximately s9(2)(b)(ii) well outside the level of funding agreed by Cabinet.

36. On 12 May 2016, PCNZ issued Ōtākaro with a notice under the contract, triggering 15 business days of negotiation in Good Faith to agree a basis on which the procurement process will continue.

37. From 31 May 2016, both parties have the right to terminate the process agreement.

38. s9(2)(b)(ii) s9(2)(j)

s9(2)(b)(ii)

s9(2)(b)(ii)

s9(2)(b)(ii)

39. s9(2)(b)(ii)

40.

[Christchurch Convention Centre update \(Treasury:3529030v8\)](#)

## Treasury Officials – Roles and Responsibilities

### *Vote Team*

Originally, the Earthquake Co-ordination team then transferred to Fiscal and State Sector Management. Advice across the Christchurch Recovery. Led advice on funding requests and increases.

Betty was a member of the Project Steering Group for the Convention Centre project from November 2015 to March 2016

### Key people

Tom Hall, Manager, Earthquake Co-ordination

Robert Barton, Senior Analyst

Louise Lennard, Senior Analyst

Betty Scurr, Team Leader, Fiscal and State Sector Management

s9(2)(g)(i) Analyst.

### *PPP Team*

Providing advice in relation to the consideration of procurement options (and specifically PPP) in the Detailed Business Case. Ongoing procurement advice and assistance was provided to the project team throughout the procurement phase on an ad hoc basis. More detailed and specific advice has subsequently been required as a result of the project team adopting the PPP standard form contract as the basis for the CCCP contract – particularly in relation to potential matters of precedent for the PPP Programme.

Dan Marshall was also a member of the initial Project Steering Group from June 2014 to July 2015.

*IMAP (note this does not cover monitoring prior to IMAP's move to Treasury from SSC)*

Monitoring of the CCDP at a programme level, limited monitoring during the early phase on a project by project basis.

### Key People

Jason Webber, Manager

Michael Fairburn, Senior Analyst

John Tymkin, Senior Analyst

Liz Innes, Senior Analyst

### *Commercial Operations.*

Involved post transfer of project to Otakaro. As land is held on the Crown's Balance Sheet with funding in Vote Finance, ComOps took the role as the contract holder for

**IN-CONFIDENCE**

contracts entered into by CERA in relation to the project. Specifically the Process Agreement.

Angela Graham, Manager  
Brendan Herder, Senior Analyst  
s9(2)(g)(i) Analyst.

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**From:** Mike Shatford <Mike.Shatford@parliament.govt.nz>  
**Sent:** Tuesday, 21 June 2016 12:49 p.m.  
**To:** s9(2)(g)(i)  
**Cc:** Nicola Purvis [DPMC]; Liz Innes [TSY]  
**Subject:** RE: Legal Advice on s9(2)(h)

**Importance:** High

Thanks s9(2)(g)(i)

This looks ok to me.

How are we looking for the remaining information?

Mike

---

**From:** s9(2)(g)(i)@dpmc.govt.nz  
**Sent:** Tuesday, 21 June 2016 11:35 a.m.  
**To:** Mike Shatford  
**Cc:** Nicola Purvis [DPMC]; Liz Innes [TSY]  
**Subject:** Legal Advice on s9(2)(h)

[IN-CONFIDENCE]

Hi Mike

Please find attached legal advice and a recommended approach re s9(2)(h). The legal material is from Nicola.

If you can confirm (either verbally or in writing) that this covers the points you are interested in, I will circulate this material to the people who will be at the meeting tomorrow.

Regards

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**From:** s9(2)(g)(i)  
**Sent:** Tuesday, 21 June 2016 5:23 p.m.  
**To:** Mike Shatford; Albert Brantley; Andrew Kibblewhite [DPMC];  
anna.kominik@axiompr.co.nz; Liz Innes [TSY]; Nicola Purvis [DPMC]; Brent Gray;  
Sarah Sinclair (Sarah.Sinclair@minterellison.co.nz); Jarrod Booker [DPMC]; Kelvan  
Smith [DPMC]  
**Subject:** Review of CHRISTCHURCH CONVENTION CENTRE Plan B  
**Attachments:** 160621 CHRISTCHURCH CONVENTION CENTRE PRECINCT REVIEW RFA FINAL  
2.doc

[IN-CONFIDENCE]

Hi all

See the attached from the quick look at Plan B undertaken today.

Might come up tomorrow.

s9(2)(g)(i)

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# CHRISTCHURCH CONVENTION CENTRE PRECINCT

## REVIEW OF ALTERNATE PROJECT DELIVERY PLAN

### REPORT TO TREASURY

#### EXECUTIVE SUMMARY

This report addresses the alternative project delivery plan for the Christchurch Convention Centre Precinct. On the basis of a high level analysis the following conclusions have been reached.

- The design and build approach is appropriate, and it appears to be likely that this procurement model will be well received in the Christchurch market.
- The programme for project delivery is reasonable. Risk of delay during the preliminary phases arises from approval delays pending Ōtākaro assuming ownership. Risk to the programme will arise if there are s9(2)(b)(ii) s9(2)(b)(ii)
- The estimated total project cost of s9(2)(b)(ii) is considered to be reliable.
- It is noted that Ōtākaro state their intention is to ensure project control processes appropriate to a project of this scale will be in place for delivery management.

#### BACKGROUND

The terms of reference were to provide an assessment on the appropriateness of the alternate project plan for delivery of the Christchurch Convention Centre Precinct, based on a limited high level overview.

This review comprised discussions with Ōtākaro personnel<sup>i</sup>, and consultant advisors<sup>ii</sup>, a site visit, and the review of a preliminary project programme and a one page costs summary. This review was undertaken over some 6 hours.

#### FINDINGS

##### Procurement Model

The alternative project delivery plan has adopted the Design & Build (D&B) procurement model.

It is noted that in February 2016 a CERA analysis<sup>iii</sup> concluded that a (D&B) model, where CERA issues a Request for Proposal (RfP) for a D&B contractor to market based on the existing concept design, was the preferred PSC procurement model.

It is the expectation of the Quantity Surveying consultants that, due to the timing of current major projects in the Christchurch market, the D&B procurement model will attract the necessary level of interest from suitable contractors. This expectation seems reasonable, and will enhance competition from tenderers.

### Programme

The proposed timeframes for the alternate project delivery plan provides the opportunity to confirm the engagement of a contractor in Q2 2017, and allows for nominal completion late 2019. This date enables consequential benefits to Christchurch to be realised sooner rather than later s9(2)(b)(ii) & s9(2)(j)

s9(2)(b)(ii) & s9(2)(j)

The plan to undertake site remediation works directly by Ōtakaro, as compared to having this undertaken as part of the main construction contract, removes a level of risk exposure.

s9(2)(b)(ii)

s9(2)(b)(ii)

There are two potentially significant risks associated with the project that can impact on the time frames. These are:

- Delays to getting timely approvals and decisions which enable the preliminary procurement steps to be progressed, as a consequence of the present accountabilities.
- s9(2)(b)(ii)

### Costs

In relation to the project budget s9(2)(b)(ii) it is assumed that previous peer reviews undertaken of non-construction costs (KPMG, PWC) provide the necessary level of confidence in relation to those items.

The design and construction element of the cost plan, a sum of s9(2)(b)(ii) was tested at a high level. It is concluded that this sum is reliable for the following reasons:

- s9(2)(b)(ii)
- 
-

s9(2)(b)(ii)

In addition it is noted there is evidence that real opportunity for cost reduction by value engineering exists.

s9(2)(b)(ii)

### Delivery Management

It is noted that Ōtākaro have taken over project management systems from CERA, and that these are to be upgraded as required to enable effective project control to be exercised.



Rob Ashcroft

DIRECTOR

ASHCROFT & ASSOCIATES LTD

CIVIL ENGINEER  
MEMBER INTERNATIONAL CHAMBER OF COMMERCE NZ INTERNATIONAL ARBITRATION COMMITTEE  
FELLOW ARBITRATORS & MEDIATORS INSTITUTE  
MEMBER SOCIETY FOR CONSTRUCTION LAW

21 June 2016

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<sup>i</sup> Messrs Brantly, Gray, Lepper & Fiske.

<sup>ii</sup> Messrs Castles [Aurecon] & Saegars [Rawlinsons]

<sup>iii</sup> DRAFT CCCP Public Sector Comparator Assessment

**From:** s9(2)(g)(i) [DPMC]  
**Sent:** Tuesday, 21 June 2016 5:26 p.m.  
**To:** Andrew Kibblewhite [DPMC]; Nicola Purvis [DPMC]; Jarrod Booker [DPMC]; Kelvan Smith [DPMC]; Liz Innes [TSY]  
**Cc:** Mike Shatford  
**Subject:** FW: Final joint report Christchurch Convention Centre Update  
**Attachments:** JOINT REP Christchurch Convention Centre Update FINAL.pdf; 3607172\_Minute of Ministerial Decision.DOCX

[SEEMAIL][SENSITIVE]

Hi all

Please find attached a report that may be discussed tomorrow, plus also a draft minute. I have hard copies for tabling tomorrow – not for further circulation.

s9(2)(g)(i)

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## Minute of Ministerial Decision

On 23 June, joint Ministers operating under delegation from Cabinet to take decisions to conclude negotiations on the Christchurch Convention Centre [CAB-16-Min-0123 refers]:

1. **Agree** in principle to exit the agreement with Plenary New Zealand, subject to not receiving significant new information from Plenary prior to 25 June;

**Rt Hon John Key**  
Yes / No

**Hon Bill English**  
Yes / No

**Hon Gerry Brownlee**  
Yes / No

**Hon Steven Joyce**  
Yes / No

2. **Authorise** the Minister supporting Greater Christchurch Regeneration to take final decisions on this matter post 24 June;

**Rt Hon John Key**  
Yes / No

**Hon Bill English**  
Yes / No

**Hon Gerry Brownlee**  
Yes / No

**Hon Steven Joyce**  
Yes / No

3. **Invite** the Minister supporting Greater Christchurch Regeneration to lead communications on this matter, in consultation with other Ministers as appropriate, in the week starting 27 June.

**Rt Hon John Key**  
Yes / No

**Hon Bill English**  
Yes / No

**Hon Gerry Brownlee**  
Yes / No

**Hon Steven Joyce**  
Yes / No

Rt Hon John Key Prime Minister	Hon Bill English Minister of Finance
Hon Gerry Brownlee Minister supporting Greater Christchurch Regeneration	Hon Steven Joyce Minister for Economic Development



**Joint DPMC/Treasury Report: Christchurch Convention Centre update**

<b>Date:</b>	22 June 2016	<b>Report No:</b>	T2016/1071
		<b>File Number:</b>	ST-4-8-2

**Action Sought**

	<b>Action Sought</b>	<b>Deadline</b>
Minister of Finance (Hon Bill English)	agree to meet with Joint Ministers to determine how to proceed before 24 June, 2016	24 June 2016
Minister supporting Greater Christchurch Regeneration (Hon Gerry Brownlee)	refer to the Prime Minister and the Associate Minister of Finance	22 June 2016
	agree to meet with Joint Ministers to determine how to proceed before 24 June, 2016	24 June 2016

**Contact for Telephone Discussion (if required)**

<b>Name</b>	<b>Position</b>	<b>s9(2)(a)</b>	<b>1st Contact</b>
Liz Innes	Senior Advisor, Investment Performance <b>The Treasury</b>		✓
s9(2)(g)(i)	Policy Advisor, Policy Advisory Group <b>Department of Prime Minister and Cabinet</b>		✓
Jason Webber	Manager, Investment Management and Asset Performance <b>The Treasury</b>		
Kelvan Smith	Director, Greater Christchurch Group <b>Department of Prime Minister and Cabinet</b>		

**Actions for the Ministers' Office Staff (if required)**

**Return** the signed report to Treasury and the Department of Prime Minister and Cabinet.  
**Refer** to the Prime Minister and the Associate Minister of Finance.  
**Set up** a meeting for joint Ministers on or before 24 June 2016.

Note any  
feedback on  
the quality of  
the report

**Enclosure:** No

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**Joint DPMC/Treasury Report: Christchurch Convention Centre update**

**Executive summary**

CERA and more recently Ōtākaro Limited have been negotiating on the Crown's behalf with a consortium of Plenary Group Pty Ltd (as trustee for the Plenary Group Unit Trust), Carter Group Limited and Ngāi Tahu Property Limited (together, PCNZ) regarding the development of a Christchurch Convention Centre Precinct (CCCP). This has included both the design of a convention centre and commercial negotiations.

The facility design has developed well and valuable work has been done on this by both Ōtākaro Limited and PCNZ. s9(2)(i), s9(2)(g)(i)

s9(2)(i), s9(2)(j), s9(2)(g)(i)

s9(2)(i), s9(2)(j), s9(2)(g)(i)

A series of offers have been received from PCNZ, with the latest, received on 3 June 2016, s9(2)(i), s9(2)(j)

s9(2)(i), s9(2)(j)

s9(2)(i), s9(2)(j)

Earlier advice to Cabinet on proceeding with the procurement identified a number of events that, if they occurred, would indicate a need to review the procurement approach.

s9(2)(i), s9(2)(j)

s9(2)(i), s9(2)(j), s9(2)(g)(i)

Crown officials consider that the Ōtākaro Limited contingency plan is credible and feasible. However, we acknowledge there are risks associated with this, too, and we are arranging an independent review of this plan to ensure that these risks are well-understood. The output from this review will be available to inform Ministers' decision-making. We also expect to use it to frame our assurance, to ensure risks are well-mitigated and watched carefully.

s9(2)(i), s9(2)(j), s9(2)(g)(i)

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Recommended Action

We recommend that you:

a **note** that a decision on how to proceed is due to be conveyed to PCNZ after 24 June, 2016

b s9(2)(i), s9(2)(j), s9(2)(g)(i)

c **refer** to the Prime Minister and the Associate Minister of Finance

*Refer/Not Referred*

Minister supporting Greater Christchurch Regeneration

d **agree** to meet with Joint Ministers to determine how to proceed before 24 June, 2016

*Agree/disagree.*

Minister of Finance

*Agree/disagree.*

Minister supporting Greater Christchurch Regeneration

Kelvan Smith  
Director, Greater Christchurch Group  
The Department of Prime Minister  
and Cabinet

Jason Webber  
Manager, Investment Management and  
Asset Performance  
The Treasury

Hon Bill English  
Minister of Finance

Hon Gerry Brownlee  
Minister supporting Greater Christchurch  
Regeneration

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**Joint DPMC/Treasury Report: Christchurch Convention Centre update**

**Purpose of Report**

1. This report provides you with analysis of options to progress the CCCP project.

**Background**

2. The intent for developing the CCCP was to work with one partner to develop the convention centre itself, and also the balance of precinct (more information can be found in Annex A). This is expected to invigorate a critical part of the Christchurch CBD. The Balance of Precinct was envisaged to include hotels, a carpark, quality retail and office space, and food and beverage outlets.
3. In May 2014 Cabinet noted that four of the five shortlisted consortia had withdrawn from the procurement process (although one of these parties had re-engaged by joining the remaining consortium). [CAB Min (14) 17/6 refers]. A consortium of Plenary Group Pty Ltd (as trustee for the Plenary Group Unit Trust), Carter Group Limited and Ngāi Tahu Property Limited (together, PCNZ) was identified as the Preferred Developer.
4. Following a master planning phase with CERA, in November 2015 Cabinet agreed funding for the Convention Centre of s9(2)(i), s9(2)(j) (excluding land). In December 2015 PCNZ submitted proposals for the design, build and maintenance of the Convention Centre and the development of the Balance of Precinct.

5. s9(2)(i), s9(2)(j)

6. CERA led negotiations with PCNZ until 15 April 2016, when the responsibility for the Christchurch Convention Centre transferred to Ōtākaro Limited under a Services Agreement between the Crown and the company. The majority of the core project team from CERA was retained by Ōtākaro.

*Proposed Project Agreement with PCNZ – key features*

7. The intention has been that PCNZ would design and build the Convention Centre and develop the Balance of Precinct in line with the Crown's requirements, s9(2)(i), s9(2)(j)

8. s9(2)(i), s9(2)(j)

9. The agreement is constructed on the basis that having a single consortium deliver the Balance of Precinct together with the Convention Centre would provide alignment and ensure the facility is well integrated with its surrounds as part of a Master Plan, to deliver an activated precinct with high amenity value.

10. s9(2)(i), s9(2)(j)

11.

*Escalated negotiations*

12. s9(2)(i), s9(2)(j)

on 12 May 2016, issued Ōtākaro with a notice under the Process Agreement which governs the procurement process. This triggered 15 business days of negotiation in Good Faith to agree a basis on which the procurement process will continue, after which either party could terminate the Process Agreement.

13. Following receipt of this notice, the Minister supporting Greater Christchurch Regeneration met with PCNZ to clarify expectations and constraints. As a result, PCNZ agreed to provide a committed price for delivery of the Christchurch Convention Centre Precinct, by 3 June 2016.

14. On 31 May, Ōtākaro Limited issued a letter to PCNZ that agreed a short-term suspension of termination rights until 10 June 2016, to allow the Crown time to consider PCNZ's revised proposal, while preserving termination rights for both parties after this date. The Treasury and Ōtākaro Limited later extended this until 24 June 2016.

15. On 3 June, PCNZ submitted a committed price for delivery of the Christchurch Convention Centre which has been evaluated by Ōtākaro Limited. Contingency planning has also continued, drawing on earlier work on the public sector comparator to generate an indicative approach and scheduling.

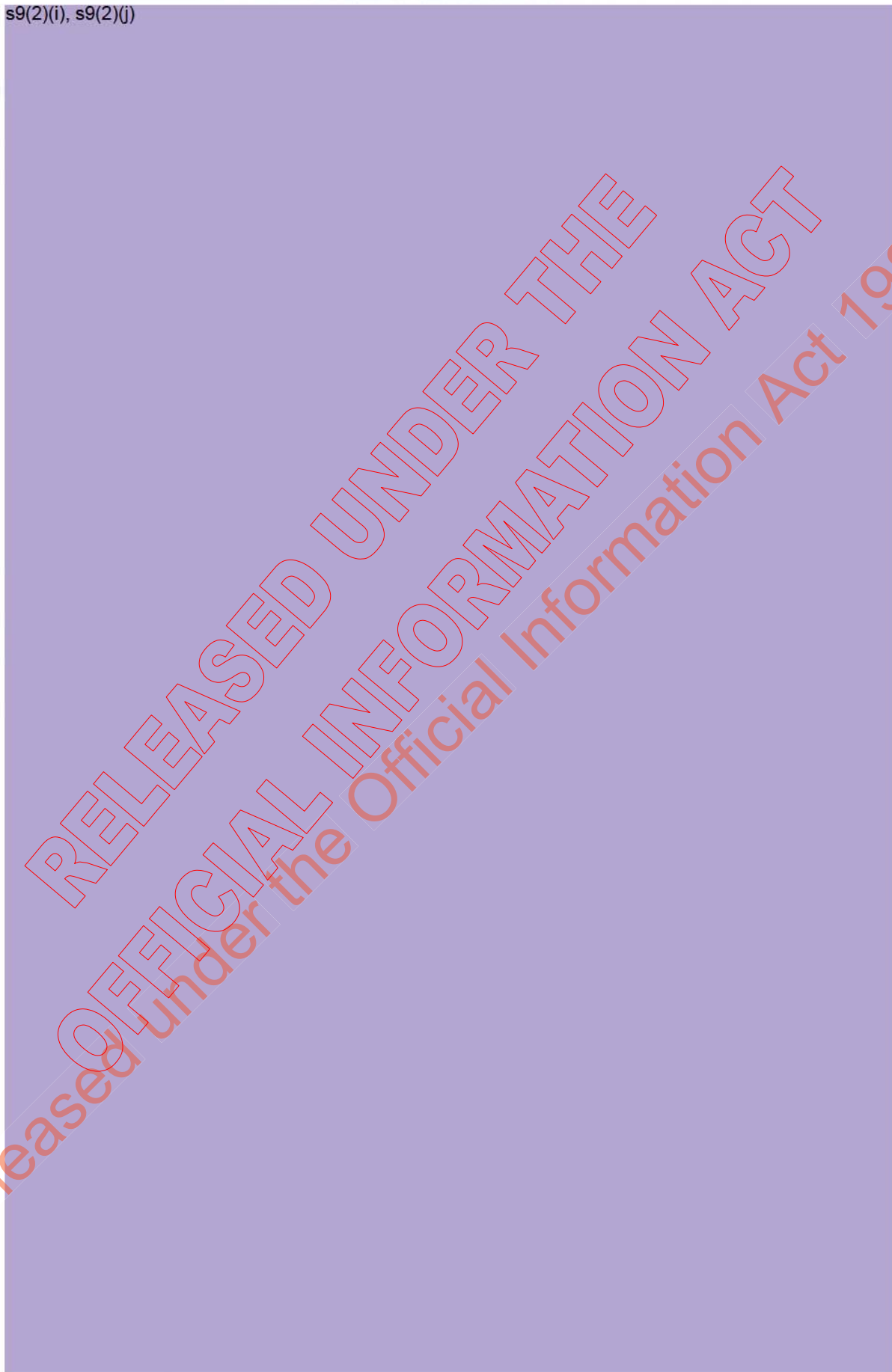
16. This paper is an assessment by the Department of the Prime Minister and Cabinet and the Treasury of the options available to progress the CCCP project. As the suspension of termination rights ends on 24 June, a decision will need to be made shortly on how to proceed.

PCNZ 3 June 2016 – summary of offer

17. s9(2)(i), s9(2)(j)

18.

s9(2)(i), s9(2)(j)



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*Contingency planning*

27. In February CERA and its advisors worked with a range of project stakeholders to identify the most appropriate model to deliver the CCCP if the Crown were to go back to market, given the current status of the Project. The preferred delivery model was identified as Design and Build, using the existing concept design to undertake a competitive bid process, to appoint a private sector contractor to detail the design, lodge appropriate consents, and construct the facility.

28. These assumptions have been retested and more detailed scheduling undertaken to understand the likely implications of returning to market. s9(2)(i), s9(2)(j), s9(2)(g)(i)

An independent check of this contingency plan is underway. A comparison of the PCNZ offer of 3 June and the contingency plan of returning to market are outlined in Annex B

s9(2)(i), s9(2)(j)

## Analysis

### *Options available to progress the CCCP*

33. In considering options, we have made two key assumptions: first that the Cabinet continues to support investment in a convention centre precinct in Christchurch, and secondly that the existing scope is appropriate.
34. Decisions about scope were taken in the second half of 2015 and we consider these are still applicable. Material changes at this stage would require redesign, introducing significant delay and increased costs. If Ministers wish to reinvestigate scoping options, further analysis is required.
35. At this stage of the procurement, considering the assumptions above, we consider that Ministers have three options:
- a) Progress with PCNZ by accepting their offer of 3 June 2016,
  - b) Extend the timeframe we have to consider PCNZ's offer of 3 June and continue to negotiate using a very clear, specific mandate for negotiation, or
  - c) Terminate the process agreement and return to market.

36.

s9(2)(i), s9(2)(j), s9(2)(g)(i)



Option	Sub option	Comment
<p><b>Continue with PCNZ</b> s9(2)(i), s9(2)(j)</p>	<ul style="list-style-type: none"> <li>Progress with PCNZ by accepting their offer of 3 June 2016</li> </ul>	<p>s9(2)(i), s9(2)(j), s9(2)(g)(i)</p>
	<ul style="list-style-type: none"> <li>Extend the timeframe we have to consider PCNZ's offer of 3 June and continue to negotiate using a very specific mandate</li> </ul>	
<p><b>Terminate the process agreement and return to market</b></p>		

Risks – PCNZ

37. s9(2)(i), s9(2)(j), s9(2)(g)(i)

38.

39.

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s9(2)(i), s9(2)(j), s9(2)(g)(i)



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Recommendation

s9(2)(i), s9(2)(j), s9(2)(g)(i)

53. If Ministers wish to continue negotiating with PCNZ by extending the existing suspension of termination rights, the Treasury and Otākaro Limited would prepare a letter to this effect. Negotiations could continue, and the current team could be supplemented with additional resource and a clear mandate for specific terms.

54. s9(2)(i), s9(2)(j)

Next Steps – in the event of returning to market

55. In the event of returning to market, officials would provide advice to Ministers on termination and communications, and prepare termination documentation. s9(2)(i), s9(2)(j)

56. We note that even if the project returns to market it may require additional funding to be successful. We expect that any request for this, along with a more detailed schedule, would be outlined in a project execution plan, to be presented to the Cabinet for consideration in September.

57. s9(2)(i), s9(2)(j), s9(2)(g)(i)

Work is underway to identify the next steps that could be announced should a termination decision be made.

58. s9(2)(i), s9(2)(j)

59.

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s9(2)(i), s9(2)(j)

s9(2)(i), s9(2)(j)

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**Annex A**

*Project summary*


The objectives for this investment are:

- a) Provision of an integrated fit-for-purpose convention facility and support infrastructure
- b) Provision of a long-term financially sustainable conventions business
- c) Contributing to recovery through the facilitation of further investment by the private sector in the city centre
- d) Attracts both tourists and the local community, reinvigorating and rebuilding a vibrant, resilient and distinctive central city
- e) Supports sustainable economic growth in Christchurch, the region and New Zealand
- f) Integrate with the national convention industry growth strategy, and drives growth in this business
- g) Attracts events in industry sectors which drive knowledge transfer, education, community development and business development

To achieve these objectives, the project is to develop an integrated convention centre precinct to deliver a memorable, world-class delegate experience. The precinct is expected to activate Christchurch's central city, and provide certainty and confidence in the rebuild, promoting further investment in the central city.

The agreed scope for the project includes:

s9(2)(i), s9(2)(j)



Annex B

	PCNZ	Alternative (return to market)
Description	s9(2)(i), s9(2)(j), s9(2)(g)(i)	
Costs		
Indicative schedule – key milestones		
Commercial risks		
Vendor performance		
Balance of Precinct		
Key assumptions		

s9(2)(i), s9(2)(j)



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**From:** Jason Webber [TSY]  
**Sent:** Tuesday, 28 June 2016 3:05 p.m.  
**To:** Andrew Blazey [TSY]  
**Cc:** Neil Cribbens [TSY]; Bryan McDaniel [TSY]; Liz Innes [TSY]  
**Subject:** FW: Christchurch Convention Centre Precinct Project - Process Agreement  
s9(2)(b)(ii)

**Attachments:** s9(2)(b)(ii)

[SEEMAIL][SENSITIVE]

Andy –

As discussed, and FYI. Please keep in confidence, as it is anticipated that communications on this is made tomorrow.

Neil and Bryan, also FYI. Bryan, a comms contact at DPMC is available below if there is a need to join up any messaging, but we expect that Otakaro and DPMC will take the lead on communications.

Cheers,

**Jason Webber** | Manager, Investment Management & Asset Performance | **The Treasury**

Tel: +64 4 917 6203 | [Jason.Webber@treasury.govt.nz](mailto:Jason.Webber@treasury.govt.nz)

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**From:** Angela Graham [TSY]  
**Sent:** Tuesday, 28 June 2016 12:45 p.m.  
**To:** s9(2)(g)(i)@dpmc.govt.nz; Nicola Purvis [DPMC] <nicola.purvis@dpmc.govt.nz>; 'Mike Shatford' <Mike.Shatford@parliament.govt.nz>; Jason Webber [TSY] <Jason.Webber@treasury.govt.nz>  
**Cc:** Catherine Atkins [TSY] <Catherine.Atkins@treasury.govt.nz>; Albert Brantley <albert.brantley@otakarold.co.nz>  
**Subject:** FW: Christchurch Convention Centre Precinct Project - Process Agreement s9(2)(b)(ii)

fyi

---

**From:** Angela Graham [TSY]  
**Sent:** Tuesday, 28 June 2016 12:44 p.m.  
**To:** 'paul.oppenheim@plenarygroup.com.au' <[paul.oppenheim@plenarygroup.com.au](mailto:paul.oppenheim@plenarygroup.com.au)>; 'paul.crowe@plenarygroup.com.au' <[paul.crowe@plenarygroup.com.au](mailto:paul.crowe@plenarygroup.com.au)>  
**Cc:** 'Brent Gray' <[brent.gray@otakarold.co.nz](mailto:brent.gray@otakarold.co.nz)>; Andrew Kibblewhite [DPMC] <[Andrew.Kibblewhite@dpmc.govt.nz](mailto:Andrew.Kibblewhite@dpmc.govt.nz)>; Jarrod Booker [DPMC] <[Jarrod.Booker@dpmc.govt.nz](mailto:Jarrod.Booker@dpmc.govt.nz)>  
**Subject:** Christchurch Convention Centre Precinct Project - Process Agreement s9(2)(b)(ii)

Dear Paul,

Please find attached, as discussed on this morning's phone call with Andrew Kibblewhite:

- s9(2)(b)(ii)



- A draft press release by the Minister supporting Greater Christchurch Regeneration.

Your contact for communications is Jarrod Booker on s9(2)(a)

Kind regards

Angela Graham

**Angela Graham** | Manager, Commercial Advice | **The Treasury**

Tel: +64 4 917 6115 | s9(2)(a) | [angela.graham@treasury.govt.nz](mailto:angela.graham@treasury.govt.nz)

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# Hon Gerry Brownlee

Minister supporting Greater  
Christchurch Regeneration



29 June 2016

**Media Statement**

## **Government moves ahead with Convention Centre**

Minister supporting Greater Christchurch Regeneration Gerry Brownlee says months of design and planning work has the Government on course to open Christchurch's new Convention Centre in late 2019.

"Today I have released an indicative design for the Convention Centre Precinct, to give people an idea of what to expect from this important new facility for Christchurch," Mr Brownlee says.

"The Government has moved through the early design and master planning stages for the Precinct with Plenary Conventions New Zealand (PCNZ), however other contractors will now be sought as we move into the phase of finalising the design and then construction of the facility.

"The decision not to proceed with PCNZ was mutually agreed, and I thank the consortium for its input into this project.

"Work on the Convention Centre Precinct site will begin immediately, first with rerouting of telecommunications and other early enabling works, and within the next two weeks preparations will begin for the Colombo Street to Oxford Terrace section of Gloucester Street to close by the end of July.

"Engagement with potential early works contractors will begin immediately, to allow substantial earthworks to begin in October.

"Having certainty around this project is important for the city's forward planning, and I thank everyone for their patience as we took the necessary time to make this decision on the path ahead.

"The government remains absolutely committed to a Precinct that is world-class, and offers quality accommodation, hospitality and retail to support the convention facilities.

“Market engagement for a main contractor for the Convention Centre’s final design and build will begin in early August.

“We have committed funding for the project but we won’t be disclosing those figures as we seek the best possible deal with contractors,” Mr Brownlee says.

Ōtākaro Limited, the Crown-owned company set up to deliver central city anchor projects on the Government’s behalf, will lead the process to identify and appoint contractors to confirm the final design and builders for the Convention Centre.

Ōtākaro Limited will also work with parties interested in opportunities to develop the wider Precinct, which has considerable space for accommodation, car parking and other potential uses.

For more information on today’s announcement visit [www.otakarold.co.nz/news](http://www.otakarold.co.nz/news)

**Media contact: Nick Bryant** s9(2)(a)

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DRAFT AND IN CONFIDENCE

**From:** Mike Shatford <Mike.Shatford@parliament.govt.nz>  
**Sent:** Friday, 8 July 2016 11:49 a.m.  
**To:** Liz Innes [TSY]  
**Subject:** RE: Meeting on Major Projects Performance Report -Monday 11 July at 10.30am

Private secretaries only

Sent with Good (www.good.com)

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**From:** Liz Innes [TSY]  
**Sent:** Friday, 8 July 2016 9:19:37 a.m.  
**To:** Mike Shatford  
**Subject:** RE: Meeting on Major Projects Performance Report -Monday 11 July at 10.30am

[IN-CONFIDENCE]

Thanks Mike – we will be there. Are you able to advise who from MOD and NZDF will attend? We would prefer to share information with them before the meeting so they are well positioned to comment.

Cheers,  
L

**Liz Innes** | Senior Advisor, Investment Frameworks | **The Treasury**  
Tel: +64 4 917 7029 | [Liz.Innes@treasury.govt.nz](mailto:Liz.Innes@treasury.govt.nz)

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**From:** Mike Shatford [mailto:Mike.Shatford@parliament.govt.nz]  
**Sent:** Thursday, 7 July 2016 5:23 p.m.  
**To:** Liz Innes [TSY] <Liz.Innes@treasury.govt.nz>  
**Subject:** Meeting on Major Projects Performance Report -Monday 11 July at 10.30am

Hi Liz

Confirming a meeting on Monday at 10.30.

Both defence and regeneration will be discussed.

See you then.

Mike

**Mike Shatford**

Private Secretary – Greater Christchurch Regeneration  
Office of Hon Gerry Brownlee  
7.4 Executive Wing | Private Bag 18 041, Wellington 6160  
Tel: +64 4 817 9085 | s9(2)(a)

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## CCCP Update 22 July 2016

### 1. Site Works (enabling works)

- a. Utility providers commenced work on 10 July 2016
- b. Preparation of the Request for Proposal (RFP) for the early works package has commenced and is on track for release in mid-August 2016
- c. Site access is being established ready for the early works contractor to commence work
- d. Gloucester Street permanent closure has been approved by Council and LINZ, and the street will be closed on 4 August 2016

### 2. Securing the Design Team

- a. Ōtākaro Project Team has made good progress in discussions with the incumbent Christchurch Convention Centre Precinct (CCCP) design team
- b. A workshop was held with the CCCP Design team in Christchurch on 13 July to coordinate and align the design teams input to the future work programme
- c. The Project Team has documented and issued four RFP's for the CCCP design team. RFP's are due, as follows:
  - i. Structural Engineering and Geotechnical, Civil and Environmental Design Services - 26 July 2016
  - ii. Mechanical Services and Architectural Services - 29 July 2016

Table 1: Overview of design consultant functions

<b>Design consultant</b>	<b>Location</b>	<b>Function / responsibility</b>
Woods Bagot (with Warren & Mahoney sub-contracting)	Melbourne/ Christchurch	Principal consultant/architect taking overall responsibility for the development and coordination of the design and subsequent design-related activities (potentially including landscape architecture and façade engineering).
WSP Parsons Brinckerhoff	Melbourne/ NZ	Building services engineers providing services to progress the development of the design (potentially including mechanical, electrical, fire detection, security, lifts, hydraulics, fire protection consultant, ESD).
Holmes Consulting	Christchurch	Provision of structural engineering services to progress the development of the design (potentially including civil engineering and regulatory compliance services).
Tonkin & Taylor	Christchurch	Geotechnical, civil and environmental engineering services.



Reference: T2016/1280

ST-4-8-2-37-1

Date: 26 July 2016

To: Hon Gerry Brownlee  
(Minister supporting Greater Christchurch Regeneration)

Deadline: None

### Christchurch Convention Centre Precinct Update – July 2016

The purpose of this paper is to update you on this project.

#### Exit from Process Agreement with PCNZ

##### *Fees and payments*

1. s9(2)(b)(ii)

2.

3.

##### *Transfer of IP*

4. Ōtākaro has requested transfer of PCNZ intellectual property in accordance with its rights under the original PCNZ agreement. The agreement does not provide a timeframe in which this must occur.

5. s9(2)(b)(ii)

6.



7. s9(2)(b)(ii)

Project progress

*Enabling works on site*

8. All utility providers began work on site from 10 July 2016, including Vodafone, Chorus, Enable, Orion, and the Christchurch City Council.
9. The closure of Gloucester Street has been approved by Council and LINZ, and the street will be closed on 4 August 2016. Members of the public who park in the street will be notified in advance of the closure.

*Preparation for early works*

10. Site access protocols are being put in place, so these are ready for early works to begin. The Request for Proposal (RFP) for the early works package is in development and is on track for release in mid-August 2016.

*Securing the design team*

11. Ōtākaro has made good progress in acting to secure the existing Christchurch Convention Centre Precinct (CCCP) design team.
12. It has issued Requests for Proposal (RFP) to the incumbent Structural Engineering and Geotechnical, Civil and Environmental Design Services, Mechanical Services and Architectural Services for the CCCP design team. All incumbent design team members have indicated they will participate in this process.
13. Feedback from participants to Ōtākaro suggests the approach of using a full RFP  
s9(2)(b)(ii)  
s9(2)(b)(ii) The RFPs close this week, and contract award is expected in early August.

Significantly improved monitoring delivery confidence

14. Ōtākaro presented to the Major Projects Assessment Panel, who met on Monday 25 July and confirmed the delivery confidence assessment for this project as Amber.
15. This is because significant risks around commercials, costs, schedule, and s9(2)(b)(ii) have been substantially mitigated by the change in procurement approach.

16. We also note that the data received from Ōtākaro through the Government Project Portfolio collection is of a higher quality than has been provided in the past, and for the first time includes information on benefits.

Risks

*Funding*

17. s9(2)(b)(ii)

18.

*Balance of precinct*

19. The balance of precinct is to deliver a significant contribution to the benefits expected from this investment. We note that the development timeline for the balance of precinct is shorter than for the convention centre facility, and as such that planning can occur later.
20. We are keen to understand how the balance of precinct will be delivered, and when more detailed planning will be available. Without this, there is a risk that the benefits associated with the balance of precinct are reduced or delayed.

*Schedule*

21. At this stage the schedule appears feasible. However the schedule relies on a number of different activities progressing in parallel, with a number of interdependencies. If these are not precisely coordinated, there could be schedule impacts.
22. We have recommended Ōtākaro considers providing a Cabinet paper in November to:
- outline the revised implementation approach,
  - determine how/when the balance of precinct development will proceed,
  - provide an overview about how the project will be managed to succeed, and
  - request any additional funding, if required.

Transfer of project

23. The Treasury is working to transfer this project to Ōtākaro Ltd, so they are better empowered to get on and deliver.

24. The Treasury, the Department of the Prime Minister and Cabinet and Ōtākaro are meeting on Thursday 28 July to determine an efficient and effective way for us to engage and monitor critical success factors.
25. We expect to include the outcomes of this workshop in the transfer papers, along with some recommendations around regular reporting to keep you informed as the project progresses.

**Liz Innes**, Senior Advisor, Investment Performance, 04 917 7029  
**Angela Graham**, Manager, Commercial Advice, 04 917 6115

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**From:** Mike Shatford <Mike.Shatford@parliament.govt.nz>  
**Sent:** Wednesday, 27 July 2016 9:43 a.m.  
**To:** Liz Innes [TSY]  
**Subject:** Major Projects Reporting

Hi Liz

I hope this email finds you well.

It would be good to confirm the timelines for the Major projects report back to the Minister –so that I can look to get time in the Ministers diary.

Having talked with Albert - I understand you have been in discussion with Otago around the assessment –so that is good.

Let me know.

Mike

**Mike Shatford**

Private Secretary – Greater Christchurch Regeneration  
Office of Hon Gerry Brownlee  
7.4 Executive Wing | Private Bag 18 041, Wellington 6160  
Tel: +64 4 817 9085 | Cell: s9(2)(a)

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**From:** Mike Shatford <Mike.Shatford@parliament.govt.nz>  
**Sent:** Monday, 8 August 2016 5:11 p.m.  
**To:** Liz Innes [TSY]  
**Cc:** Nick Bryant; ^Parliament: Felicity Cuzens  
**Subject:** Major Projects Briefing

Hi Liz

The office has confirmed a meeting with Minister Brownlee on 16 August, 2016 - 3.45-4.30pm.

We'll have both the Defence and GCR Private Secretaries attending.

Once we've received the dashboards later this week – we can follow up before the meeting.

Mike

**Mike Shatford**

Private Secretary – Greater Christchurch Regeneration  
Office of Hon Gerry Brownlee  
7.4 Executive Wing | Private Bag 18 041, Wellington 6160  
Tel: +64 4 817 9085 | s9(2)(a)

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**From:** Mike Shatford <Mike.Shatford@parliament.govt.nz>  
**Sent:** Monday, 15 August 2016 10:05 a.m.  
**To:** Liz Innes [TSY]  
**Subject:** FW: Dashboards for Min Brownlee's major projects and programmes  
**Attachments:** Deleted - not covered by your request

From the defence side....

---

**From:** Peter Carter  
**Sent:** Monday, 15 August 2016 10:03 a.m.  
**To:** Mike Shatford; Nick Bryant; Richard Deihl; Felicity Cuzens  
**Cc:** Adrienne Frew  
**Subject:** RE: Dashboards for Min Brownlee's major projects and programmes

Thanks Mike,

Deleted - not covered by your request

Other points:

- Deleted - not covered by your request
- MSC project status has improved (from Amber to Green)

Cheers, Peter

---

**From:** Mike Shatford  
**Sent:** Monday, 15 August 2016 9:53 a.m.  
**To:** Nick Bryant; Richard Deihl; Peter Carter; Felicity Cuzens  
**Cc:** Adrienne Frew  
**Subject:** FW: Dashboards for Min Brownlee's major projects and programmes

Hi

See enclosed.

The Minister currently has a meeting set for tomorrow afternoon to discuss with Treasury officials.

Nick - I'll leave it to you to decide how you want that meeting coordinated –but it would be handy to get papers in later today for the Minister to consider.

s9(2)(g)(i)

Cheers

Mike

---

**From:** Liz Innes [TSY] [<mailto:Liz.Innes@treasury.govt.nz>]  
**Sent:** Monday, 15 August 2016 8:28 a.m.  
**To:** Mike Shatford

**Cc:** Simon Duncan; Paul Kilford; Wayne Pincott [TSY]; s9(2)(g)(i) Stephen Goodman [TSY]; Lisa King [TSY]; s9(2)(g)(i) s9(2)(g)(i) [TSY]; Ricky Utting [TSY]

**Subject:** Dashboards for Min Brownlee's major projects and programmes

Hi Mike,

Please find attached the full dashboards for Minister Brownlee's projects and programmes.

As the Minister requested, I have also attached the criteria we use for assessment. I note that we are revising this criteria over the next few months, so if the Minister has any views about how projects should be assessed, it is timely to discuss these.

If you have any questions or comments, please get in touch.

Kind regards,  
Liz

**Liz Innes** | Senior Advisor, Investment Frameworks | **The Treasury**

Tel: +64 4 917 7029 | [Liz.Innes@treasury.govt.nz](mailto:Liz.Innes@treasury.govt.nz)

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■

**From:** Mike Shatford <Mike.Shatford@parliament.govt.nz>  
**Sent:** Tuesday, 16 August 2016 9:06 a.m.  
**To:** Liz Innes [TSY]  
**Cc:** s9(2)(g)(i) David Stanley [TSY]  
**Subject:** RE: Dashboards for Min Brownlee's major projects and programmes

Deleted - not covered by your request

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**From:** Liz Innes [TSY] [mailto:Liz.Innes@treasury.govt.nz]  
**Sent:** Monday, 15 August 2016 4:24 p.m.  
**To:** Mike Shatford  
**Cc:** s9(2)(g)(i); David Stanley [TSY]  
**Subject:** RE: Dashboards for Min Brownlee's major projects and programmes

Hi Mike,

I have had a chat to Albert, and reviewed the assessment with our commercial ops team who lead on Otakaro matters, and we agree that with the completion of the value engineering exercise, s9(2)(j) that we will revise the assessment of this project to Amber/Green.

I will update the dashboard accordingly.

It would be helpful to discuss the areas the Minister would be most interested in discussing tomorrow so I can ensure the right people are in attendance. Please feel free to call my mobile s9(2)(a)

Kind regards,  
Liz

**Liz Innes | Senior Advisor, Investment Frameworks | The Treasury**  
Tel: +64 4 917 7029 | [Liz.Innes@treasury.govt.nz](mailto:Liz.Innes@treasury.govt.nz)

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---

**From:** Mike Shatford [mailto:Mike.Shatford@parliament.govt.nz]  
**Sent:** Monday, 15 August 2016 9:47 a.m.  
**To:** Liz Innes [TSY] <Liz.Innes@treasury.govt.nz>  
**Subject:** RE: Dashboards for Min Brownlee's major projects and programmes

Hi Liz

Thanks for this.

Please note we have had a very recent update from Otakaro on MSF (Friday) and the major projects assessment was discussed. Having received the update, the Minister (and Otakaro) felt that this project was more A-G than Amber. Both the project cost uncertainty had been sorted and the s9(2)(j) issue had both had resolution.

Mike



---

**From:** Liz Innes [TSY] [<mailto:Liz.Innes@treasury.govt.nz>]  
**Sent:** Monday, 15 August 2016 8:28 a.m.  
**To:** Mike Shatford  
**Cc:** Simon Duncan; Paul Kilford; Wayne Pincott [TSY]; s9(2)(g)(i); Stephen Goodman [TSY]; Lisa King [TSY]; s9(2)(g)(i); s9(2)(g)(i); Ricky Utting [TSY]  
**Subject:** Dashboards for Min Brownlee's major projects and programmes

Hi Mike,

Please find attached the full dashboards for Minister Brownlee's projects and programmes.

As the Minister requested, I have also attached the criteria we use for assessment. I note that we are revising this criteria over the next few months, so if the Minister has any views about how projects should be assessed, it is timely to discuss these.

If you have any questions or comments, please get in touch.

Kind regards,  
Liz

**Liz Innes** | Senior Advisor, Investment Frameworks | **The Treasury**  
Tel: +64 4 917 7029 | [Liz.Innes@treasury.govt.nz](mailto:Liz.Innes@treasury.govt.nz)

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**Project/Programme:**

**Date:**

**Criteria for Assessing Monitoring Delivery Confidence – POST-INVESTMENT**

This is a set of standard criteria to apply when assessing the monitoring delivery confidence rating of projects and programmes.

**Post-Investment:** the period following a decision being made on a project's initial schedule, costs and benefits. This would typically follow approval by Cabinet of a Programme Business Case or Detailed Business Case.

CATEGORY	GREEN	AMBER	RED	Assessment
<b>Schedule</b>	<i>Each category should be rated with the highest status assessment (e.g. one Red means category is Red)</i>			
<b>Consider:</b> <ul style="list-style-type: none"> <li>• Legislative Requirement</li> <li>• Absolutely time-bound</li> <li>• Dependency for other projects</li> <li>• Ministerial commitment</li> </ul>	Slippage in schedule appears unlikely.	Likely slippage of internal project milestones, but project completion date and major milestones still expected to be met.	Likely delay to project completion date, or a major milestone.	
<b>Budget</b>				
<b>Consider:</b> <ul style="list-style-type: none"> <li>• Over/Under spend to date against forecast</li> <li>• Re-baselined</li> <li>• Use of contingency</li> </ul>	Likely that project will remain within budget, without recourse to contingency.	Likely that project will require contingency funding.	Likely that project will require additional new funding above contingency.	
<b>Benefits</b>				
<b>Consider</b> <ul style="list-style-type: none"> <li>• Benefits Management plan in place</li> <li>• Accountability post-implementation</li> <li>• Benefits manager appointed</li> </ul>	Benefits expected to be fully realised and business case scope fully delivered.	Benefits at risk but project has an achievable plan to get to Green.	Likely that benefits in approved business case will be delayed and/or not fully realised.	

Other				
<p><b>Consider</b></p> <ul style="list-style-type: none"> <li>• Scope</li> <li>• Change control</li> <li>• Governance</li> <li>• Stakeholder management &amp; comms</li> <li>• Engagement with corporate centre</li> <li>• Risk and issue management</li> <li>• Assurance reviews</li> <li>• Resource capability and capacity</li> <li>• Vendor management</li> <li>• Implementation &amp; support readiness</li> <li>• Infrastructure</li> <li>• Test management</li> </ul>	<p>There are no other significant issues or risks which could impact project schedule, budget or benefits.</p>	<p>Issues or high likelihood risks exist which could prevent realisation of benefits or on-time and on-budget delivery, but project has an achievable plan to get to Green.</p>	<p>Other risks or issues exist which the project is unable to mitigate sufficiently.</p>	

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**CRITERIA FOR ASSESSING MONITORING DELIVERY CONFIDENCE – PRE-INVESTMENT**

This is a set of standard criteria to apply when assessing the monitoring delivery confidence rating of projects and programmes **pre-investment**.

**Pre-Investment:** the period prior to a decision being made on a project’s initial schedule, costs and benefits. This would typically be up to approval by Cabinet of a Programme Business Case or Detailed Business Case.

CATEGORY	GREEN	AMBER	RED	Assessment
<b>Strategic Fit</b>	<i>Each category should be rated with the highest status assessment (e.g. one Red means category is Red)</i>			
<b>Consider, where relevant:</b> <ul style="list-style-type: none"> <li>Alignment to govt priorities</li> <li>Alignment to BPS result areas</li> <li>Alignment to agency or Ministerial priorities</li> <li>Alignment to All of Govt strategies (eg ICT strategy, business growth agenda)</li> </ul>	There is clear alignment to all relevant strategies.	Alignment to relevant strategies is unclear at this stage; action is required to demonstrate alignment.	There is poor or nil alignment to relevant strategies.	
<b>Governance &amp; Resourcing</b>				
<b>Consider</b> <ul style="list-style-type: none"> <li>SRO appointed with appropriate capability, capacity and support</li> <li>Governance arrangements in place (eg programme board or project steering committee) as appropriate</li> <li>Lead and other people capability and capacity in place to develop business case</li> </ul>	Governance, management and business case development resources are in place with suitable capability and capacity.	There are issues with governance, management and/or business case development resources but they are manageable if addressed promptly.	There are significant issues with governance, management and/or business case development resources that will impact the timeliness or quality of the business case.	
<b>Engagement</b>				
<b>Consider</b> <ul style="list-style-type: none"> <li>Engagement with corporate centre</li> <li>Planning for business case</li> </ul>	There is full and early engagement with the corporate centre and use of	There are issues with engagement with the corporate centre and use of	There are significant issues with engagement with the corporate centre and use of	

**IN-CONFIDENCE**

development <ul style="list-style-type: none"> <li>• Quality of business case development</li> <li>• Key stakeholder identification and engagement</li> <li>• Market engagement</li> </ul>	the business case framework.	the business case framework but they are manageable if addressed promptly.	the business case framework that will impact the timeliness or quality of the business case.	
<b>Other</b>				
<b>Consider</b> <ul style="list-style-type: none"> <li>• Deviation from initial schedule or budget.</li> <li>• Risk and issue management</li> <li>• Assurance planning and reviews</li> </ul>	There are no other significant issues or risks which could impact the quality of the business case and/or readiness to proceed.	There are other issues or high likelihood risks which could impact the quality of the business case and/or readiness to proceed, but there is an achievable plan to address them.	There are other significant issues or high likelihood risks which will impact the quality of the business case and/or readiness to proceed.	

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**Overall Delivery Confidence Rating**

The final Monitoring Delivery Confidence Rating should be assessed against the 5 point scale below. This assessment will be based on the categories described above and the judgement of the panel.

<b>Rating Scale</b>	<b>Description</b>	<b>Monitoring Delivery Confidence Rating</b>
<b>R</b>	<p>Red</p> <p>Successful delivery of the project and/or benefits appears to be unachievable. There are major issues with project definition, schedule, budget, quality and/or benefits delivery, which at this stage do not appear to be manageable or resolvable. The project may need re-scoping and/or its overall viability reassessed.</p> <p><i>ACTION: Monitoring escalation process</i></p>	
<b>A/R</b>	<p>Amber/ Red</p> <p>Successful delivery of the project and/or benefits is in doubt, with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and determine whether resolution is feasible.</p> <p><i>ACTION: Monitoring escalation process</i></p>	
<b>A</b>	<p>Amber</p> <p>Successful delivery appears feasible but significant issues already exist, requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun or loss/delay of benefits.</p>	
<b>A/G</b>	<p>Amber/ Green</p> <p>Successful delivery appears probable; however, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.</p>	
<b>G</b>	<p>Green</p> <p>Successful delivery of the project and benefits on time, budget and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery significantly.</p>	

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**Additional Notes on Monitoring Delivery Confidence Rating (if required)**

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**From:** Mike Shatford <Mike.Shatford@parliament.govt.nz>  
**Sent:** Thursday, 18 August 2016 4:56 p.m.  
**To:** 'John Ivil'; Liz Innes [TSY]  
**Cc:** Chris Bunny; ^Parliament: Felicity Cuzens  
**Subject:** RE: Meeting with Minister Brownlee on the Canterbury Public Sector Dashboard [UNCLASSIFIED]

Ok –let's do 5pm Wednesday.

I think it would be worth bringing a range of the indicators and a much reduced dashboard for consideration.

Mike

---

**From:** John Ivil [mailto:John.Ivil@mbie.govt.nz]  
**Sent:** Thursday, 18 August 2016 4:51 p.m.  
**To:** Mike Shatford; Liz.Innes@treasury.govt.nz  
**Cc:** Chris Bunny  
**Subject:** RE: Meeting with Minister Brownlee on the Canterbury Public Sector Dashboard [UNCLASSIFIED]

Hi Mike

I can do any of those times. Perhaps Wed would be best so we can sort this at the earliest opportunity

One thought on the 'Construction Expenditure graph' – we could look to remove the baseline detail and just show actual and forecast, which is all in the right direction

Cheers

John

---

**From:** Mike Shatford [mailto:Mike.Shatford@parliament.govt.nz]  
**Sent:** Thursday, 18 August 2016 4:46 p.m.  
**To:** [Liz.Innes@treasury.govt.nz](mailto:Liz.Innes@treasury.govt.nz); John Ivil <[John.Ivil@mbie.govt.nz](mailto:John.Ivil@mbie.govt.nz)>  
**Cc:** Chris Bunny <[Chris.Bunny@mbie.govt.nz](mailto:Chris.Bunny@mbie.govt.nz)>  
**Subject:** Meeting with Minister Brownlee on the Canterbury Public Sector Dashboard

Hi

Three options for a meeting next week. Let me know the preference. The placeholder will be Thursday midday:

5pm Wednesday  
12pm Thursday  
4.30pm Thursday

Mike

**Mike Shatford**  
Private Secretary – Greater Christchurch Regeneration



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**From:** Mike Shatford <Mike.Shatford@parliament.govt.nz>  
**Sent:** Thursday, 18 August 2016 2:03 p.m.  
**To:** ^Parliament: Simon Duncan; Richard Lee  
**Cc:** 'john.ivil@mbie.govt.nz'; Chris Bunny; Liz Innes [TSY]; ^MAPP: Adrienne Frew  
**Subject:** Major Projects Performance Report

Hi

A heads up only – Treasury & MBIE have presented a draft dashboard of indicators on the Canterbury Public Sector rebuild, that is proposed to sit within the July 2016 Major Projects Performance Report.

Minister Brownlee is not yet happy with the indicators being presented for public release.

I've talked with both Treasury and MBIE officials about this – and noting challenges around timeframes for sign-off, we will look for Minister Brownlee to meet with these officials next week to discuss.

In all likelihood, this will get sorted, – however we may need to request that this be left out of this next report with the aim of getting it right for release.

Cheers

Mike

**Mike Shatford**

Private Secretary – Greater Christchurch Regeneration  
Office of Hon Gerry Brownlee  
7.4 Executive Wing | Private Bag 18 041, Wellington 6160  
Tel: +64 4 817 9085 | s9(2)(a)

**From:** Mike Shatford <Mike.Shatford@parliament.govt.nz>  
**Sent:** Monday, 22 August 2016 1:18 p.m.  
**To:** 'John Ivil'; Liz Innes [TSY]  
**Cc:** ^Parliament: Felicity Cuzens  
**Subject:** Meeting Cancellation

Hi

The meeting set for this Wednesday at 5pm to discuss the Canterbury Public Sector has been cancelled.

I'm struggling to find an alternative date before recess.

I'll let you know if I'm successful.

Mike

**Mike Shatford**

Private Secretary – Greater Christchurch Regeneration  
Office of Hon Gerry Brownlee  
7.4 Executive Wing | Private Bag 18 041, Wellington 6160  
Tel: +64 4 817 9085 | s9(2)(a)

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**From:** Andrew Blazey [TSY]  
**Sent:** Thursday, 25 August 2016 9:23 p.m.  
**To:** David Stanley [TSY]  
**Cc:** Angela Graham [TSY]; Liz Innes [TSY]; Robert Barton [TSY]; Fiona Whiteridge [TSY]; Ricky Utting [TSY]  
**Subject:** FW: Metro Sports Facility Funding Arrangements  
**Sensitivity:** Confidential

Hi David,

Thank you for your response below. Would you please co-ordinate a reply to me with the key messages you'd like me to convey to Mike on the concern he has raised. I realise Mike's comment is broader than just your responsibility, but I'd be grateful if you can take an overview perspective.

Thanks, Andy

**Andrew Blazey | The Treasury | Kaitohutohu Kaupapa Rawa**

Acting Deputy Secretary, Budget & Public Services

Tel: +64 4 917 6985 | s9(2)(a) | [andrew.blazey@treasury.govt.nz](mailto:andrew.blazey@treasury.govt.nz)

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**From:** Fiona Ross [TSY]  
**Sent:** Thursday, 25 August 2016 3:40 p.m.  
**To:** Mike Shatford <Mike.Shatford@parliament.govt.nz>; Andrew Blazey [TSY] <Andrew.Blazey@treasury.govt.nz>  
**Cc:** Kelvan Smith [DPMC] <Kelvan.Smith@dpmc.govt.nz>  
**Subject:** RE: Metro Sports Facility Funding Arrangements  
**Sensitivity:** Confidential

Hi Mike – my apologies as I have changed roles in Treasury. Struan Little is coming in as Dep Sec with responsibility for this area (starting early Sept) and in the meantime Andrew Blazey is Acting so I have copied him in so he can have a chat to you.

Cheers  
Fiona

**Fiona Ross | The Treasury**

Chief Operating Officer and Deputy Secretary Strategy, Performance and Engagement

Tel: +64 4 917 6165 | s9(2)(a) | [fiona.ross@treasury.govt.nz](mailto:fiona.ross@treasury.govt.nz)

Executive Assistant: s9(2)(a)

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**From:** Mike Shatford [<mailto:Mike.Shatford@parliament.govt.nz>]

**Sent:** Thursday, 25 August 2016 9:51 a.m.

**To:** Fiona Ross [TSY] <[Fiona.Ross@treasury.govt.nz](mailto:Fiona.Ross@treasury.govt.nz)>  
**Cc:** Kelvan Smith [DPMC] <[Kelvan.Smith@dpmc.govt.nz](mailto:Kelvan.Smith@dpmc.govt.nz)>  
**Subject:** FW: Metro Sports Facility Funding Arrangements  
**Sensitivity:** Confidential

Hi Fiona

Deleted - not covered by your request

is

Mike

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**From:** David Stanley [TSY] [<mailto:david.stanley@treasury.govt.nz>]  
**Sent:** Thursday, 25 August 2016 7:52 a.m.  
**To:** Mike Shatford; Kelvan Smith [DPMC]  
**Cc:** Stephen Reville [TSY]  
**Subject:** FW: Metro Sports Facility Funding Arrangements  
**Sensitivity:** Confidential

[IN-CONFIDENCE]

Hi Mike and Kelvan,

Thanks for the letter which I have forwarded to Treasury's accounting, vote and legal people for feedback.

s9(2)(b)(ii)

I will come back to you as soon as I have further info from my colleagues. We will prepare advice – however preparation of a report will only begin next week as I am in Christchurch this afternoon and all day Friday at Ōtākaro (morning) and SRES (afternoon) and s9(2)(g)(i) is on leave for the rest of this week.

Cheers

David

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**From:** Kelvan Smith [DPMC]  
**Sent:** Wednesday, 24 August 2016 6:09 p.m.  
**To:** Mike Shatford <[Mike.Shatford@parliament.govt.nz](mailto:Mike.Shatford@parliament.govt.nz)>; David Stanley [TSY] <[david.stanley@treasury.govt.nz](mailto:david.stanley@treasury.govt.nz)>

Cc: ^Parliament: Felicity Cuzens <[felicity.cuzens@parliament.govt.nz](mailto:felicity.cuzens@parliament.govt.nz)>

Subject: RE: Metro Sports Facility Funding Arrangements

Sensitivity: Confidential

Hi Mike, David,

I would have to defer to Treasury on this one.

The only point I would make is that the letter talks about the transfer of funds from CCC to Otakaro. My understanding is that the funds will transfer to the Crown from CCC and the Crown will fund Otakaro.

Regards

Kelvan

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From: Mike Shatford <[Mike.Shatford@parliament.govt.nz](mailto:Mike.Shatford@parliament.govt.nz)>

Date: Wednesday, 24 Aug 2016, 5:39 PM

To: Kelvan Smith [DPMC] <[Kelvan.Smith@dpmc.govt.nz](mailto:Kelvan.Smith@dpmc.govt.nz)>, David Stanley [TSY] <[david.stanley@treasury.govt.nz](mailto:david.stanley@treasury.govt.nz)>

Cc: ^Parliament: Felicity Cuzens <[felicity.cuzens@parliament.govt.nz](mailto:felicity.cuzens@parliament.govt.nz)>

Subject: FW: Metro Sports Facility Funding Arrangements

Hi

Advice please.

I'd like to confirm that this letter is sufficient to meet Treasury needs and also any recommended response.

Cheers

Mike

-----Original Message-----

From: s9(2)(g)(i) On Behalf Of Dalziel, Lianne (Mayor)

Sent: Wednesday, 24 August 2016 5:19 p.m.

To: Hon Gerry Brownlee; Mike Shatford

Subject: Metro Sports Facility Funding Arrangements

Importance: High

Sensitivity: Confidential

Good evening Minister

Please find attached a letter from Mayor Lianne Dalziel re Metro Sports Facility.

Thank you

Regards

s9(2)(g)(i)

Executive Assistant to the Mayor

Mayor's Office

DDI: (03) 941-8559

s9(2)(g)(i) <[@ccc.govt.nz](mailto:s9(2)(g)(i)@ccc.govt.nz)>

Web: [www.ccc.govt.nz](http://www.ccc.govt.nz) <[file:///www.ccc.govt.nz](http://file:///www.ccc.govt.nz)>

Christchurch City Council

P.O. Box 73016, Christchurch 8154

Civic Offices, 53 Hereford Street, Christchurch 8013

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**Emma Davey [TSY]**

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**From:** Mike Shatford <Mike.Shatford@parliament.govt.nz>  
**Sent:** Tuesday, 30 August 2016 12:18 p.m.  
**To:** Liz Innes [TSY]  
**Cc:** ^Parliament: Simon Duncan  
**Subject:** Minister didnt agree to public reporting data being released in its current format-  
more work to be done

Hi Liz

Can we defer please.

Mike

**Mike Shatford**

Private Secretary – Greater Christchurch Regeneration  
Office of Hon Gerry Brownlee  
7.4 Executive Wing | Private Bag 18 041, Wellington 6160  
Tel: +64 4 817 9085 | s9(2)(a)

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