

Submission on behalf of
Christchurch Symphony Orchestra Foundation
to the Christchurch City Council's
Draft 2006-1016 Long Term Community Plan

- Submission refers to Community Support pp 97
- The Applicant wishes to talk to the main points in my submission at the hearings to be held between Thursday 25 May and Wednesday 7 June 2006.

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*Christchurch Symphony
Foundation Trust*

4 May 2006

Our Community Plan
Christchurch City Council
P.O. Box 237
Christchurch

Submission to LTCCP

Dear Councillors,

The attached submission is made by Christchurch Symphony Foundation. In brief we are seeking the long term lease of a central city site on which we can build a permanent, dedicated rehearsal home for Christchurch Symphony.

Christchurch Symphony is the core of the City's musical cultural life. The orchestra plays to in excess of 225,000 people annually and provides services for Canterbury Opera, Christchurch City Choir, Royal New Zealand Ballet, commercial hirers such as Andrea Bocelli and the National Concerto Competition.

The orchestra must leave its current rehearsal home at the Cranmer Centre by the end of this year.

Christchurch Symphony Foundation has determined that the single most important issue facing the long term future of the City's orchestra is its need for a home that is dedicated, permanent, safe, secure and efficient. We have accepted the challenge of making this happen and now seek the assistance of Council in making leased land available to us. By making this lease Council will enable us to leverage additional central government funding to make the project happen.

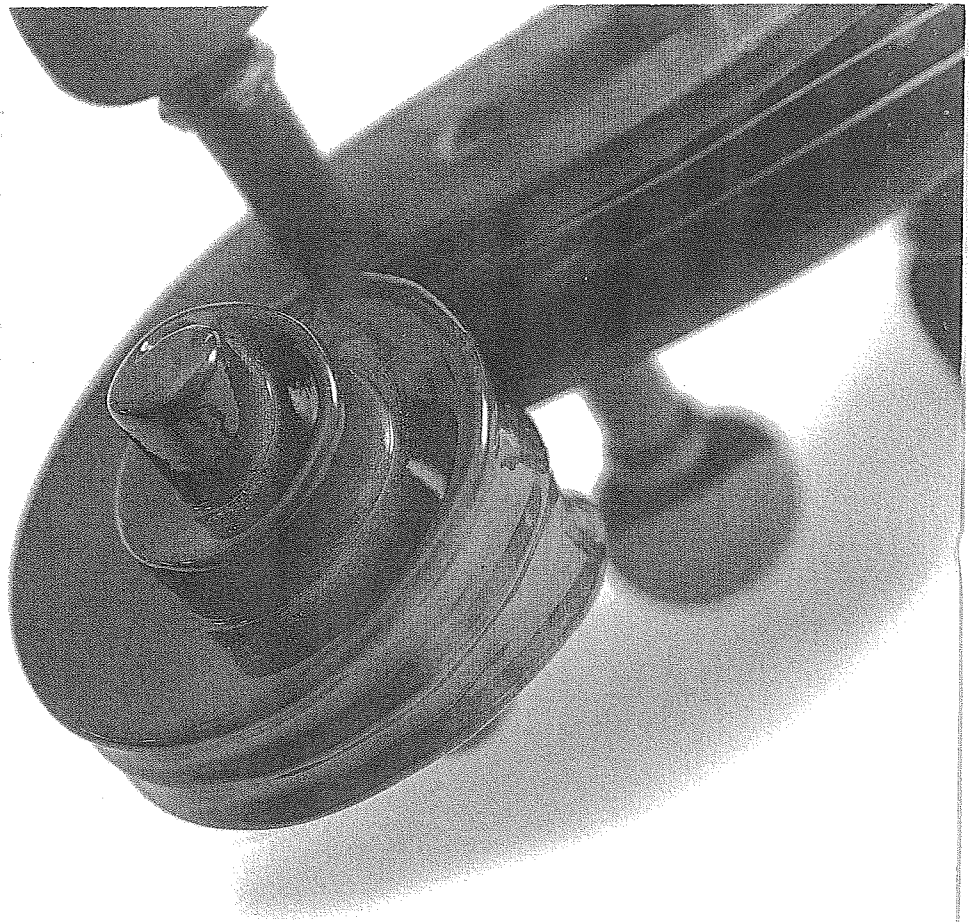
Christchurch Symphony celebrates its 50th anniversary in 2008. There will be no more fitting way to celebrate the survival and ensure the future of the orchestra than by ensuring that it is safely and appropriately housed.

We look forward to hearing the results of your deliberations.

Yours sincerely,



Adrienne, Lady Stewart
Chair



CHRISTCHURCH SYMPHONY
FOUNDATION

"One of the great joys of my career is working with superb soloists — Christchurch Symphony presents some of the finest performing today. New Zealand's own Michael Houstoun and international guests Roger Woodward, Piers Lane, Shlomo Mintz and Alexander Ivashkin have all played with us.

The Foundation plays a tremendously important role in helping the Orchestra attract the highest quality soloists possible. This is a vital part of assuring the future of Christchurch Symphony."

MARC TADDEI, MUSIC DIRECTOR

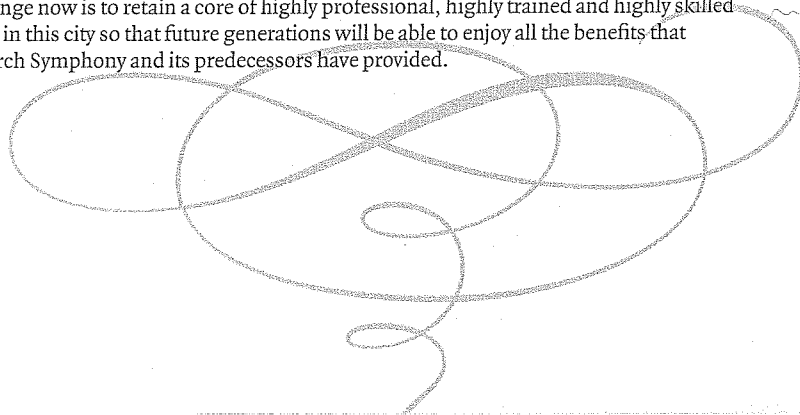
CHRISTCHURCH SYMPHONY

In a city of only 345,000 inhabitants, Christchurch can be justifiably proud of its orchestra – few other cities of this size can boast such talent.

As the South Island's only professional orchestra, Christchurch Symphony is the inheritor of a proud tradition. The first ever professional orchestral performance in New Zealand was held in Christchurch in 1906 as part of the Great Exhibition. Other records indicate that there has been orchestral music performed in Canterbury for longer than rugby has been played in the province.

Building on this historic base, the Christchurch Symphony Foundation is committed to ensuring that the orchestra remains at the core of cultural life in the city, the province and the South Island.

Our challenge now is to retain a core of highly professional, highly trained and highly skilled musicians in this city so that future generations will be able to enjoy all the benefits that Christchurch Symphony and its predecessors have provided.



*"The Christchurch Symphony is a modern miracle,
boxing way above its weight."*

SIR WILLIAM SOUTHGATE, CONDUCTOR LAUREATE

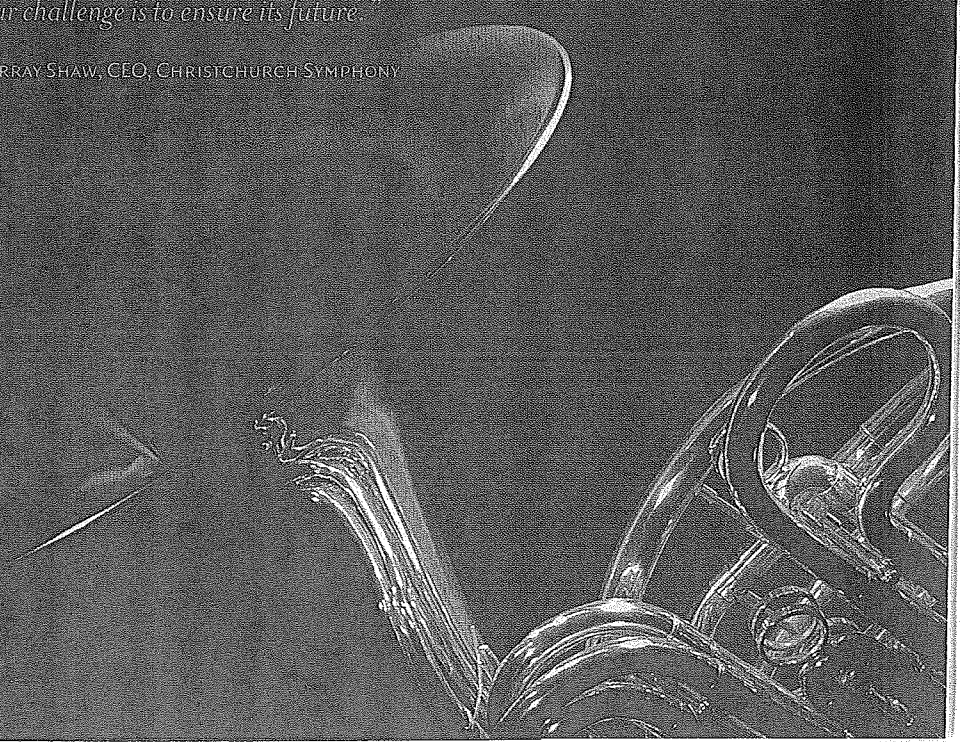
ENSURING THIS LEGACY FOR FUTURE GENERATIONS

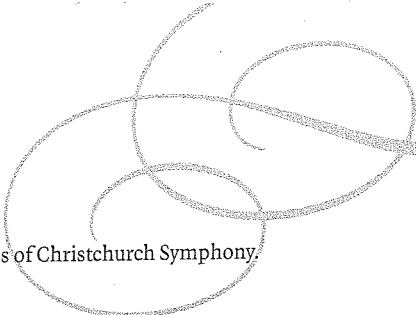
The Christchurch Symphony Foundation was established in 1996 to create a capital base with the primary aim of ensuring long term financial stability for the orchestra. The Foundation also supports orchestra projects which lie outside core operational funding such as the Outreach Programme in schools and rest homes, and initiatives to provide professional development, such as exposing players to top overseas performers and conductors.

In 2005 the Foundation established a sub-fund for the purchase of new instruments. Christchurch Symphony does not yet own a full range of orchestral instruments and, as their cost is often prohibitive, instruments have to be hired on a concert by concert basis.

*"Christchurch has a better orchestra than any city of our size,
20,000 km from London, might reasonably expect to have.
Our challenge is to ensure its future."*

MURRAY SHAW, CEO, CHRISTCHURCH SYMPHONY





SHOWING YOUR SUPPORT

There are several ways you can help ensure the continued success of Christchurch Symphony.

Donations

Donations provide Christchurch Symphony with much needed support for the day to day running of an orchestra of this standard. On current budgets, in excess of \$7,000 per day is required to maintain this professional music force.

Larger Gifts

Larger gifts enable Christchurch Symphony to undertake projects that are not always possible with smaller donations.

Interest Free Loans

Lending the Christchurch Symphony Foundation interest-free money for a period of time enables the Foundation to invest this money into a Capital Fund. The interest from this fund is then used to further the aims and objectives of Christchurch Symphony. At the end of an agreed term the capital returns to you.

Bequests and Legacies

Including the Christchurch Symphony Foundation in your will is a way to make larger gifts without causing financial stress in your lifetime.

Various options are available, such as:

- Providing a percentage of your estate or a specific cash sum.
- Providing the residue of your estate after other specific distributions have been made.
- Planning for life insurance policies to be paid to the Christchurch Symphony Foundation on your death.
- Donating property or personal effects.

A 'legacy' is commonly used to refer to the gift of a sum of money, whereas the gift of property or possessions is usually referred to as a 'bequest'.

The following wording is a guideline for you and your lawyer when planning to include the Christchurch Symphony Foundation in your will:

"I give to the Christchurch Symphony Foundation the sum of \$..... (or the residue of my estate or description of property or assets) to be given for the general purposes of the Foundation (or a stipulated specific purpose) for which the receipt of the Christchurch Symphony Foundation shall be sufficient discharge to my trustees."

Please feel free to contact us before you make a decision so we can help you to create a legacy or bequest that best reflects the benefits you wish to provide.

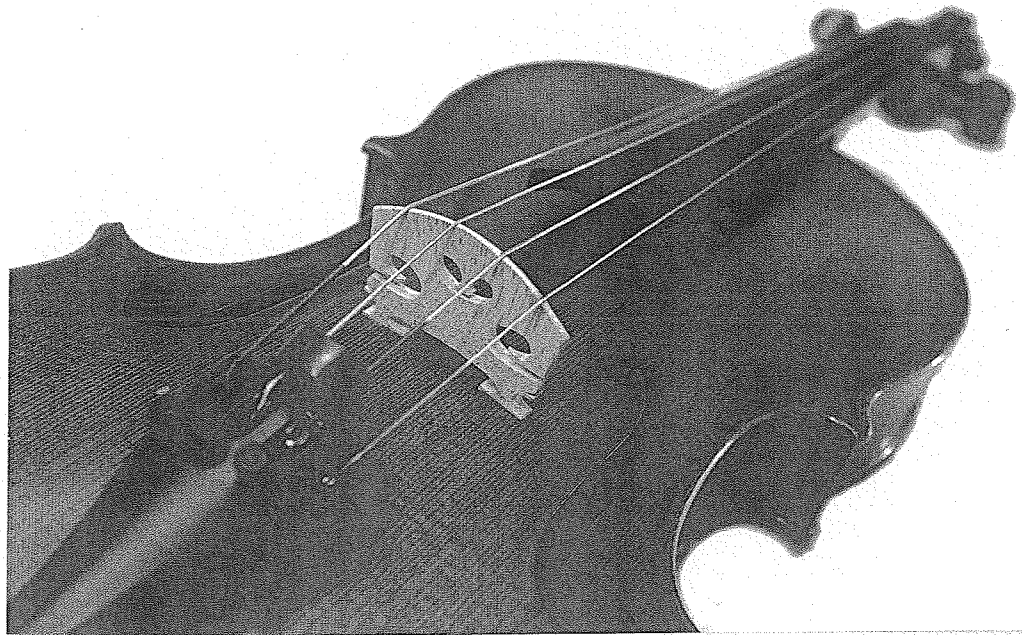
"I am privileged to be Patron of the Christchurch Symphony Foundation. The Symphony is a vital part of the arts community of Canterbury and the South Island. Most other artistic endeavours, such as Canterbury Opera and Christchurch City Choir, could not exist without a quality regionally based orchestra of the calibre of Christchurch Symphony.


Christchurch Symphony will always need strong community support to achieve its vision given the constraints of government funding and there is no more worthy institution for Cantabrians to support, either through direct patronage of the Foundation or ticket purchase, to help stimulate the health and well-being of our region."

CHRISTOPHER DOIG, PATRON, CHRISTCHURCH SYMPHONY FOUNDATION

"The responsibility of ensuring that this orchestra thrives belongs to all of us. I am keen to play my part and I invite you to show your support."

ADRIENNE, LADY STEWART, CHAIR, CHRISTCHURCH SYMPHONY FOUNDATION BOARD





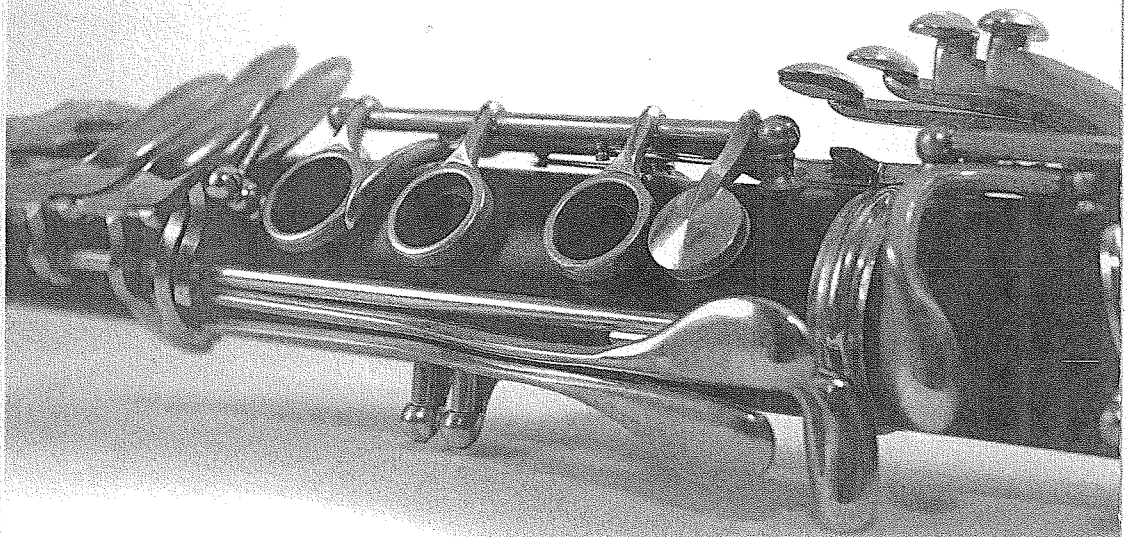
THANK YOU FOR YOUR SUPPORT

Your support is highly valued and gratefully received by the Christchurch Symphony Foundation. You will receive a certificate that recognises your contribution. Your name (or that of your organisation) will appear on the Christchurch Symphony Foundation Roll of Honour which is reproduced in membership magazines, Christchurch Symphony concert programmes and on appropriate publicly sited plaques.

The Foundation works closely with the orchestra to establish individual forms of recognition for special gifts. We would be delighted to discuss the options open to you to recognise your gift.

Should you wish your donation or support to remain anonymous, we are very happy to work with you to determine other forms of recognition that might be appropriate.

As a charitable trust, donations to the Christchurch Symphony Foundation qualify for a charitable gift taxation rebate. We also hope that you will derive satisfaction from the knowledge that you are helping to ensure the future of the South Island's foremost cultural asset.



HOW TO FIND OUT MORE

If you would like to know more about the Christchurch Symphony Foundation, contact the Chair or the Chief Executive of Christchurch Symphony on (03) 379 3886.

Alternatively you can return the enclosed form to:
Christchurch Symphony Foundation,
Freepost 1627, Christchurch.



FINANCIAL ADVISORY SERVICES

Christchurch Symphony Foundation

Building Application

May 2006

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Terms and conditions

This document has been prepared specifically for the Christchurch Symphony Foundation. It remains the property of KPMG and neither it nor its contents may be disclosed to any third party. If you decide not to use the services of KPMG, or decide to use the resources of another firm, please return all copies of this document together with written confirmation that no copies of this document or any of its contents have been retained by your organisation.

The proposal contained in this document is subject to the negotiation, agreement and signing of a written contract.

Executive Summary

The Christchurch Symphony has no permanent home of its own and from December 2006 will need to vacate its current premises in the Cranmer Centre. The Christchurch Symphony Foundation has recognised the need for the Orchestra to have permanent, dedicated, safe and secure home and is currently undertaking the fundraising process to achieve this.

Following discussion with the City Council Officers on the process by which we could apply to Council for assistance through the process the Foundation have been advised that the LTCCP is the vehicle for this. This submission document details our proposal.

The Christchurch Symphony Foundation (The “Foundation”) requests the Christchurch City Council:

- Grant a 99 year lease on 206 Tuam Street, hereinafter referred to as the “Checkers Site”, for an annual ground lease of \$1.

The site is to be developed as the permanent practice and administration facility for the Christchurch Symphony Orchestra and the Christchurch Choir.

- Make available to the Foundation a Summary of the Community Consultation process by which this application was heard.
- Offer a letter of Community Support to be included in an application to the “Significant Community Based Projects Fund”.

The Request

As part of the fundraising process the Christchurch Symphony Foundation is making an application to the Central Government *Significant Community Based Projects Fund* ("The Fund").

The object of the fund is to support capital grants from major community based projects that have a significant range of benefits contributing to regional and or national outcomes with particular reference to:

- The Arts
- Culture and Heritage
- Sport and Recreation
- Conservation and Environment
- Tourism
- Economic Development

Specific details attached as Appendix One.

The Foundation considers that the establishment of a permanent practice and administration facility for the Christchurch Symphony Orchestra and the Christchurch Choir clearly fits within the objectives of this fund. *(See Needs Assessment Summary prepared by Murray Shaw of Christchurch Symphony Orchestra Appendix Two).*

For the Foundation to be successful in its application the Foundation has to demonstrate a level of community and financial support.

Community support includes letters of support from the community.

By definition community support also requires a level of community consultation and feedback.

The Foundation requests the Christchurch City Council assist with the consultation process by which this application can be heard, and offers a letter of support for the project.

As discussed for an application to be successful a certain level of financial support is also required. Financial support can include cash, donations, sponsorships, or grants.

The Foundation considers the granting by the Christchurch City Council of a lease over the Checkers site, for peppercorn rental, will be enough combined with an assessment of volunteers time, to demonstrate a significant level of financial support, if the difference between the peppercorn rental and actual market rental is valued.

The Foundation has had an indicative ground lease assessment completed for the site by Simon Newberry of Ford Baker Valuation, (*Appendix Three*). This assessment suggests a market value of the ground lease of between \$54,000 and \$64,800 per annum, depending on the area assumed.

A discounted cash flow valuation of the difference between the peppercorn rental required and the actual rental forgone by the City Council has been assessed, between \$800,000 and \$960,000, again depending on the area assumed.

Assuming that the ground lease forgone as discussed contributes approximately 30% of the capital cost of the project then our application to “the fund” will be for the residual amount of between \$2.7 to \$3.2 million.

The Design

Initial sketches of the project are being prepared by Sir Miles Warren at no cost to the Foundation. The cost of design and submission will be given freely by Sir Miles.

The design is intended to be in keeping with recent buildings constructed in the Christchurch inner city.

By reference it is envisaged the design will:

- be simple and fit for the purpose.
- incorporate one large practice area, breakout and storage rooms for the purposes of the Choir and the Orchestra.
- have suitable sound control technology.
- have a small mezzanine floor lifted above the practice area for administration offices which will be accessed by a simple set of stairs.
- incorporate a front foyer which is expected to be small but elegant with a glass frontage allowing for a minimal amount of naming, much in keeping with the Christchurch Convention Centre.
- by nature of its location, will also have access to Council parking on adjacent sites after hours, this enables the facility to be completed efficiently and effectively without the need for the development of too many parking spaces.
- have a load out bay for orchestra and choir equipment.

Full drawings will be available as a part of the application proceeding to The Fund for consideration.

The Applicant

The applicant to the Christchurch City Council and ultimately the fund is as discussed, by the Christchurch Symphony Foundation.

The Christchurch Symphony Foundation is made up of a group of high profile Christchurch business people and is chaired by Adrienne, Lady Stewart. Other Trustees include:

- Michael Peterson, Founding Shareholder of Human Ware Business Products
- David Stock, leading city commercial Barrister
- Gill Cox, ex- President of New Zealand Society of Accountants and Executive Director of Continuous Business Education Limited
- Barry Hadlee, practicing business consultant and ex KPMG Christchurch Partner
- Bruce Gemmell, Managing Partner, KPMG Christchurch
- Jenny May, Heritage Consultant, Christchurch

All members of the Christchurch Symphony Foundation donate their time freely to the community and all offer their support to this project.

Appendix One

Department of Internal Affairs Information Sheet – Significant Community Based Projects Fund

Information Sheet

SIGNIFICANT COMMUNITY BASED PROJECTS FUND

OBJECTIVE OF THE FUND

The Significant Community Based Projects Fund (the Fund) has been set up to support major community-based projects, with significant support from and participation by the community, that have a range of benefits contributing to regional and/or national outcomes, with particular reference to:

- arts, culture and heritage;
- sport and recreation;
- conservation and environment;
- tourism; and
- economic development.

ELIGIBILITY CRITERIA

The community-based project for which funding is sought (the project) must meet the following criteria to be eligible:

The project must be consistent with the objectives of the Fund.

This means that the project must be for a major community resource, facility or event that:

- supports the outcomes of arts, culture and heritage, sport and recreation, conservation and environment, tourism and economic development;
- is/will be of significant benefit to one or more New Zealand regional communities and/or New Zealand as a whole.

Projects of this significance are likely to be those that:

- will attract large numbers of participants or attendees, or have implications for wider New Zealand;
- are/will be large scale or high cost, and be of such size and magnitude that they necessitate the involvement of professional management and coordination; and
- require coordination of, or interaction with a number of local authorities or government agencies.

The project must be ineligible for funding from existing funds, or unable to obtain sufficient funding from existing funds.

The Fund was established to address the issue of an increasing number of community-based projects that have regional and/or national significance, being unable to progress, either because they cannot access appropriate funding or the available funding is insufficient.

Applicants should have made every endeavour to obtain funding from other sources prior to applying to the Fund.

The project must be technically feasible, with the organisation having the demonstrated ability and expertise to successfully complete the project.

Feasibility should be assessed through a technical appraisal of whether the project is viable and practical, and likely to meet its intended aims. The feasibility study should be carried out by a company or person that routinely carries out such studies as a part of their business.

There must be evidence of demonstrated community support for the project, including financial support.

Community support includes letters of support from the community, community participation in the project such as volunteer time or participation in meetings, and other similar activities where the community is involved in the project.

Applicants seeking funding should have:

- clearly specified the project objectives to the community. These should contribute to local community development aspirations;
- consulted with the community on the project;
- obtained feedback from the community;
- genuinely considered the feedback from the community; and
- incorporated community feedback into the project.

Financial support is the level of existing funds that demonstrate that financial support has been obtained and that sufficient assets are available to commence the project.

Applicants must demonstrate that they have already raised significant funds for the project prior to applying to this Fund. As a guide, applicants who have already raised 35% of the total actual cost of the project may be viewed more favourably.

Funds already raised for this project means cash and includes cash donations, sponsorships and grants made towards the project.

These funds **cannot** include:

- unrealised pledges and debentures (this includes the value of any unrealised offers to donate labour and materials as in-kind contributions);
- unconfirmed or promised funds.

'Actual' cost is the cost of the goods and services the applicant will pay for directly related to the project.

The application must be for one-off capital expenditure.

Requests for ongoing project funding and operational costs are not eligible for this fund.

A project is defined as a planned set of linked tasks and activities carried out over a timeframe with a definite beginning and ending.

Operational costs refer to the day-to-day running expenses that would normally be incurred in running the organisation and include cash transactions, debt servicing and other everyday transactions that fall outside the parameters of the specific project for which funding is sought.

The application must be submitted by an established non-profit organisation with legal entity status.

Legal entity status refers to incorporated societies, charitable trusts and companies with charitable status holding a deed or other documentation attesting to the status.

The applicant organisation must have robust governance and management arrangements.

The governance and management structure should clearly show the reporting, and accountability lines of the decision-making body and the roles of the management arm of the organisation.

The applicant organisation must have secured commitments for significant community support towards the project cost (cash and in-kind) from funding sources other than central government.

'In-kind' is the cash donations and/or sponsorship, labour, goods and materials already supplied to the project for which funding is sought, and supplied to support its implementation or completion.

There must be proven evidence of in-kind support. This can be shown through letters from those donors committing goods or cash/sponsorship and must show the value of the commitment.

The commitments are over and above the pre-requisite funds outlined in the financial support provisions above.

The applicant organisation must be financially and technically sustainable (particularly over the longer term).

There should be evidence of robust accounting procedures and practices. The applicant organisation must have demonstrated that it has (as a minimum) the following set of internal controls in place:

- two signatories to bank accounts; and
- maintenance of a cashbook or equivalent; and
- appointment of a treasurer as specified in the organisation's constitution or trust deed; and
- tracking of different funding e.g. through a spreadsheet or journal entry; and
- regular financial reporting to every full meeting of its governing body.

The applicant organisation must provide financial reports that should include:

- a statement of its accounting policies
- a statement of income and expenditure covering the period between the date of its last financial accounts and the time of completing the application
- a statement of financial position
- details of any contingent liabilities that have arisen since the date of its annual accounts.

Where the applicant organisation has had legal status for more than 16 months at the closing date of applications - annual accounts audited by a Chartered Accountant (CA) holding a current Certificate of Public Practice should be provided.

Where the applicant organisation has had legal status for less than 16 months at the closing date of applications - a year-to-date statement of income and expenditure prepared by a Chartered Accountant, Associate Chartered Accountant or a person with specified or auditing experience must be provided.

RANKING CRITERIA

Ranking criteria will assist in prioritising eligible proposals on their relative benefits and costs. Applicants to the Fund will need to provide evidence that shows how their project meets ranking criteria. The criteria, set out by sector, by which applications will be ranked are:

Arts, Culture and Heritage

Projects seeking funding should:

- enable creative expression, and stimulate audiences for arts, culture and heritage;
- provide an environment whereby arts, culture and heritage at the local and regional level contribute to a strong assertion of New Zealand identity;
- provide opportunities for participation in a range of art forms and heritage activities;
- provide opportunities for participation by a broad range of diverse populations;
- maintain local heritage to a high standard.

Sport and Recreation

Projects seeking funding should:

- provide opportunities for people to become physically active and participate in sport and recreation;
- provide new, or improve existing, sport and recreation facilities;
- grow or support young people's participation in physical activity, recreation and junior sport;
- provide opportunities for participation in physical activity, recreation and sport by a broad range of diverse population groups;
- contribute to the expression of regional or national identity.

Conservation and Environment

Projects seeking funding should:

- enhance the quality of the natural environment, including the quality of ecosystems and processes that support indigenous biodiversity;
- be managed in a way that avoids, remedies or mitigates adverse effects on the surrounding natural environment and historic heritage;
- encourage land users to change unsustainable land use practices;
- encourage stewardship of natural resources at a community level;
- contribute to climate-change solutions by better waste, transportation, energy and air quality management;
- sustain the potential of natural and physical resources to meet the reasonably foreseeable needs of future generations.

Tourism

Projects seeking funding should:

- contribute to meeting the objectives of the New Zealand Tourism Strategy 2010;
- assist a region to address issues of seasonality/ peaking;
- promote regional spread of visitors;
- contribute to the appropriate Regional Tourism Organisation's strategy or objectives for the region;
- assist or promote community acceptance of tourism and/or tourists i.e. take account of community aspirations, the community's use of facilities and/or places;
- improve a visitor's understanding and enjoyment of the local/regional culture/ environment/ community.

Economic Development

Projects seeking funding should:

- be well aligned with the region's economic development strategy, and/or local and community strategies;
- increase the capability of the community to identify and exploit economic development opportunities;
- be consistent with the goals of the government's growth and innovation strategy (including skills and talents, innovation, international connections, and productivity);
- stimulate increased level and quality of private sector investment and provide for genuine additional benefits after consideration of downstream effects;
- stimulate growth of high quality, productive employment (directly and indirectly);
- be consistent with sustainable development goals, and in particular with the current areas of government priority;
- stimulate rising revenues and incomes, especially export revenues (for example, the potential contribution to increasing GDP per capita, and net foreign exchange).

INELIGIBILITY

Applications that fall within the following criteria will not be eligible:

- applications seeking significantly more funding than is available for distribution. In such cases, applicants will be encouraged to revise their expectations and to submit a more realistic application, which meets financial sustainability requirements set out above;
- Local Authorities that seek funds for the cost of network infrastructure, as defined in section 197 of the Local Government Act 2002. According to this section of the Act, network infrastructure means the provision of roads and other transport, water, wastewater, and stormwater collection and management;
- applications from for-profit organisations;
- applications made retrospectively for projects or parts of projects that have been completed; and
- applications for debt-servicing.

LATE OR INCOMPLETE APPLICATIONS

Applications that arrive after the closing date for applications will not be considered.

Applications that arrive prior to the closing date for application but that do not meet the eligibility criteria or supply the required evidence by the closing date will not be ranked.

Applications where the evidence of financial and/or community support or outcome achievement is inaccurate, or deemed insufficient in comparison to what might reasonably be expected for such evidence or with other like applications will not be ranked favourably.

Applications that fail to include the signed Applicant Agreement outlined in the Application Form will not be considered.

DECISION MAKING

Decisions will be based on the ranking of eligible applications.

Ranking will be informed by:

- how well each application meets the criteria and the evidence required (e.g. the eligibility criteria);
- the significance and impact of the project;
- the outcomes that will be achieved by the project;
- the extent of community support for the project;
- the project's consideration of sustainability factors; and
- the project's alignment with significant local, regional and national plans and strategies.

Decisions will also take into account the value of eligible projects compared with the funds that are available, and compared to other applications at the time.

Ranking will be accomplished through an Interdepartmental Advisory Group (IAG).

Recommendations for approval will be put to the Government's Cabinet Policy Committee.

The final decisions will be made by Cabinet.

Review of decision

Decisions to fund are final and are not subject to review.

GRANT PAYMENT ARRANGEMENTS

Applicants will be notified of the decision to grant in May of the year following the closing date.

Progress payments

Successful applicants will receive part payment of the grant through progress payments. These will be based on an initial portion of the total grant being paid to enable the project to commence, followed by one or more further payments at milestones in the project that are agreed between the Department of Internal Affairs and the applicant organisation, and upon the completion of the project.

Where resource consent is required, the funds will not be released until evidence is received that the consent has been granted.

Goods and Services Tax

The Department of Internal Affairs makes grants exclusive of GST. However, the payment of grants will include GST if the payee is registered for GST.

ACCOUNTABILITY

Grant recipients are required to sign a funding agreement indicating their conformity to all grant conditions before the grant is uplifted.

Funding agreement

A funding agreement is a legally enforceable agreement setting out the terms and conditions governing funding, as determined by the Department of Internal Affairs. This could include: deeds, contracts, Memoranda of Understanding (MOUs), exchanges of letters or a combination of these.

The funding agreement requires the grant recipient:

- to spend the grant within the timeframe specified in the Funding Agreement unless written approval for an extension is obtained from the Department of Internal Affairs before that period ends;
- to spend the grant only for the purpose for which it was approved unless written approval for a change of this purpose is obtained in advance from the Department of Internal Affairs;
- to return to the Department of Internal Affairs, any portion of the grant not spent on the approved purpose;
- To distribute any assets purchased with the grant to other community organisations in New Zealand if the organisation winds-up or disposes of the assets;
- To acknowledge the Department of Internal Affairs' support in all publicity material, annual reports and similar documents;
- To make available for inspection by the Department of Internal Affairs or its designated agents, files or records that may relate to the expenditure of the grant;

- To inform the Department of Internal Affairs of any changes in the organisation such as: a change of postal address; physical or email address; telephone or facsimile number; or office holders; change in financial situation; or an intention to wind-up or cease operations or any other significant event, should this occur before the application has been considered or the grant has been fully used and accounted for;
- To lay a complaint with the Police and notify the Department of Internal Affairs immediately if any of the grant monies are stolen, misappropriated or misapplied;
- To allow the Department of Internal Affairs to collect information about the organisation from other parties in respect of the application;
- To complete an Accountability Report (as outlined below); and
- To participate in any evaluation activities of the Department of Internal Affairs related to the Fund.

Accountability report

Grant recipients are required to complete accountability reports outlining the benefits to the community of grant expenditure and how the grant has enabled them to contribute to the outcomes for which the Fund is intended. The first report is to be provided at the completion of the project, when the grant has been fully expended or 12 months after the first grant payment has been made, whichever is the soonest.

Subsequent reports should be completed in a timeframe agreed by the applicant and the Department of Internal Affairs.

In addition:

- the latest set of annual accounts is to be attached to the accountability report where this set of accounts covers the period in which the grant was spent;
- where the latest set of accounts does not cover the period of grant expenditure, an updated (unaudited) income and expenditure account must be provided;
- an updated balance sheet is also required.

Accounting practice

The grant income must be shown as a separate entry in the recipient's annual accounts. Wherever practical, the audited accounts should contain an audit note indicating how the grant money has been spent and detailing the amount and source of any other funds used for the project.

Appendix Two

Need Assessment Summary

The Need

- The orchestra has no home of its own. For more than 20 years CS has rented space in the Cranmer Centre. CS now faces eviction from its current rented rehearsal space in December 2006 as Christs' College takes over the space it has purchased
- The orchestra needs a permanent, dedicated rehearsal space.

Permanent and Dedicated

- On average 85 players use this space for 180 nights per year
- Major instruments; timpani, percussion, harp, use the rehearsal space every day
- The orchestra has to accommodate a major library of orchestral scores which cannot be readily moved
- When Christchurch City Choir joins CS, 150 singers need to be accommodated also
- Canterbury Opera rehearses singers with CS also

Safe

- 85 players need to be safe in their work place. This includes;
 - safe parking – the orchestra rehearses at night
 - OSH issues (particularly loss of hearing) face the orchestra in the long term. Rehearsal spaces need to be OSH-compliant and therefore large in both area and volume to allow sound attenuation. At least 100sq m is required as a base
 - Commercial lighting is required to ensure safe reading of music scores at night

Secure

- Value of instruments
 - CS has in excess of \$100,000 worth of instruments and equipment that needs to be safely stored and maintained.
 - CS has a music library, some material of which is now irreplaceable

Efficient

- It would be ideal to locate administration and library in the same facility as the rehearsal space
- The rehearsal space does not need to be lavish or luxurious but it must be safe, warm, well lit and acoustically sound. It should also reflect the value the City places on its professional musicians.
- Basic facilities, toilets, showers, instrument storage and a Green Room for refreshments need to be considered.
- Heavy and large instruments require access to a loading dock for ease of transport
- The Orchestra has enjoyed an artificially low rental for some time. Currently rehearsal hall rental costs \$12,480 plus GST annually. If forced to rent commercial space this amount is estimated to rise to approximately \$110,000 plus GST pa (\$11 pa x 10,000 sq ft). The effect on the Orchestra's cash flow will be crippling.

The Vision

Christchurch Symphony is the core of the City's cultural life and the only professional orchestral force in the South Island. Playing to over 200,000 people every year, and with over 12,000 students in the Education and Outreach programme, Christchurch Symphony performs 60 times per year.

Without a professional orchestra there would be no:

- Regular summer out door concerts
- Last Night of the Proms, Christmas Programmes, ANZAC Concerts or other popular programmes
- Regular concert series in Town Hall and Christchurch Cathedral
- Support for
- Canterbury Opera,
- Christchurch City Choir,
- National Concerto Competition;
- Adam Cello Competition
- Visits from Royal New Zealand Ballet
- Support for commercial groups or artists such as *Amici*, or *Andrea Bocelli*

- Apprenticeship programme with Christchurch School of Music
- Music education and outreach for 12,000 participants annually
- Employment for 180 musicians annually
- Core of professional musicians supporting private tuition and the School of Music at University of Canterbury
- Christchurch Symphony provides all the above, and more, but Christchurch Symphony does not have a permanent home.

Our Vision is to provide a permanent home in an appropriate building which protects the most valuable assets, our players, gives them appropriate, safe working conditions, allows flexibility for accommodating colleague organisations such as Christchurch City Choir, and provides for a small administrative team, it also allows for an outreach programme while providing a visible presence in the community and adds to the cultural framework of the inner city community.

Appendix Three

Indicative Valuation Ford Baker Limited

FORDBAKER

V A L U A T I O N

206 Tuam Street

City

CHRISTCHURCH



REGISTERED VALUERS AND PROPERTY CONSULTANTS

1 May 2006

The Christchurch Symphony Orchestra Trust
C/- Bruce Gemmell
KPMG
PO Box 274
CHRISTCHURCH

Dear Trustees

**CURRENT MARKET VALUATION AND RENTAL ASSESSMENT
"CHECKERS" SITE, 206 TUAM STREET, CHRISTCHURCH**

This report has been prepared by Simon Eric John Newberry, B Com (VPM), SPINZ, ANZIV, AREINZ, Registered Public Valuer, who has been in private practice since 1987, working as an Urban and Rural Valuer primarily in the Canterbury Province.

We refer to your instructions received to assess the current market value of this commercial site at the above address. In this regard we inspected the property on 20 April 2006, completed our investigations and furnish the following current market valuation and subsequent rental assessment.

We have provided an Executive Summary report, only in this instance in accordance with your instructions. Please note that this may not comply with the New Zealand Institute of Valuers Practice Standards, which requires a full written detailed valuation report.

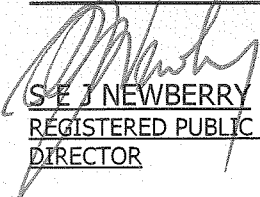
We have made our valuation of the property at its market value which we determine as intended to mean:-

"the estimated amount for which an asset should exchange, on the date of valuation, between a willing buyer and a willing seller in an arms-length transaction, after proper marketing, wherein the parties have acted knowledgably, prudently, and without compulsion".

We now submit the attached report for your consideration.

Yours faithfully

FORDBAKER VALUATION



SE J NEWBERRY - B COM (VPM) SPINZ (ANZIV)
REGISTERED PUBLIC VALUER
DIRECTOR

simon@fordbaker.co.nz

Executive Summary

EFFECTIVE DATE	20 April 2006
ADDRESS	"Checkers" Site, 206 Tuam Street, Christchurch
REGISTERED PROPRIETOR	The Christchurch City Council (for a commercial purpose)
LOCATION	<p>The property is situated fronting Tuam Street, being located approximately 60 metres west of its intersection with Manchester Street and diagonally opposite the current Municipal Chambers of the Christchurch City Council.</p> <p>It adjoins the Tuam Street carpark located just outside the Central Business District of Christchurch City, but contained within the Inner City as defined by the Four Avenues.</p>
LAND DESCRIPTION	<p>The subject property is to be land allocated off a larger parent parcel and we are to assess it as comprising a rectangle 20 metres wide by both 50 metres and 60 metres deep creating land areas of 1000 m² and 1200 m² respectively.</p> <p>Contour of the land is considered level and our assessment is undertaken on the basis that services are provided to at least the road boundary.</p> <p>Such delineation of lease boundary will not raise a separate Title, but will remain part of the larger parent site.</p>

IMPROVEMENTS

Comprising a gable workshop facility of approximately 800 m². We have neither inspected this nor measured it and our assessment is undertaken on the basis that this will be demolished to make way for a proposed structure by the trust.

LEASE

Our assessment is undertaken on the basis of a terminating lease with three (3) yearly rent reviews.

PARENT IDENTIFIER DETAILS

CB36A/1023, Canterbury Land Registry

MARKET CONSIDERATIONS

Sales will be as follows:-

348-352 Tuam Street	Sold 09/05	\$1,125,000
----------------------------	-------------------	--------------------

Comprising two adjoining sites of 1518 m², comprising two aged commercial structures, one of 430 m² occupying virtually the entire site and further the former Radcliffe Electrical building.

26 Welles Street	Sold 09/05	\$550,000
-------------------------	-------------------	------------------

Comprising an 800 m² building located on a 706 m² site adjoining the former Electrolux building.

138-142 Durham Street South	Sold 06/05	\$1,137,500
------------------------------------	-------------------	--------------------

Comprising three contiguous properties occupied by Smith Reprints (Now Mace Engineering) with aged building structures and located on a 2069 m² site.

179 Moorhouse Avenue	Sold 09/05	\$1,101,000
-----------------------------	-------------------	--------------------

Comprising a car yard facility fronting Moorhouse Avenue on a 1052 m² site. There is a small 110 m² building on this high profile land.

168 St Asaph Street **Sold 04/06** **\$400,000**

Comprising the former Social Credit office located on a 376 m² site. Given that there are building setbacks and landscaping requirements in this location, it is likely that the purchaser will redevelop the site with the existing structure upon it, so as not to lose any utilisation of the site.

172 St Asaph Street **Sold 10/05** **\$670,000**

Comprising a 240 m² site containing a single storey showroom/warehouse building near the Colombo Street frontage.

248 St Asaph Street **Sold 07/05** **\$580,000**

Comprising a 555 m² part two storey structure with dated brick warehouse located on a Unit Titled site, but occupying a land area of approximately 702 m².

250 St Asaph Street **Sold 06/05** **\$860,000**

Comprising a 1250 m² two storey structure located on a 980 m² site.

368 St Asaph Street **Sold 06/05** **\$700,000**

Comprising the corner building formerly occupied by Swimjoy now occupied as a sports retailer. This property sold to an owner/operator.

LAND VALUE ASSESSMENT

Based upon the above sales evidence, together with others considered in the location, we have been able to determine the current market value based on a land value rate of **\$800/m²**. This would therefore indicate the following land values:-

Option 1

1000 m² @ \$800/m² = \$800,000

Option 2

1200 m² @ \$800/m² = \$960,000

At this stage of this brief report, it is necessary to consider a fair return to reflect a ground lease.

In this regard we list the following:-

Lyttelton Port Company

Typically these range from 6.5% - 7.25% depending on rent review period (2, 3 or 5 yearly) and whether the lease is terminating or perpetually renewable.

Christchurch International Airport

Anex Holdings - Terminating Lease
Lease review date - April 2005
Review period - Two year review
Rate - 6.5%

Maui Campers
(530 Memorial Avenue) - Terminating Lease
Lease review date - November 2005
Review period - Three year review
Rate - 6.75%

Garden City Helicopters - Terminating Lease
Lease review date - August 2003
Review period - Three year review
Rate - 6.75%

Aviation Support - Terminating Lease
Lease review date - November 2005
Review period - Two year review
Rate - 6.5%

No. 3 Hanger - Terminating Lease
Lease review date - January 2005
Review period - Two year review
Rate - 6.5%

23 McAlpine Street

We are also aware of a site leased to Mainfreight in McAlpine Street was settled in April 2004 at 6.5% and that New Zealand Post has an agreement from March 2005, again at a 6.5% return.

49-59 McAlpine Street - EnvironWaste

Leased to Environ Waste at a 6.5% return from December 2004.

111 Tuam Street

This was a terminating lease with a compensation clause and this reflected a 7% return.

41-45 Riccarton Road

Comprising a commercial ground lease where the lessee has developed a significant structure at the rear. The ground rent has been adopted a 7.15% for a commercial return on an agreed land value.

Notwithstanding the above we therefore determine that the fair return for this property will be based on a yield of 6.75%. Accordingly we have adopted the following determination.

Accordingly we detail our assessment as follows:-

Option 1

\$800,000 @ 6.75% return = **\$54,000 per annum**

Option 2

\$960,000 @ 6.75% return = **\$64,800 per annum**

Both assessments are plus GST and a proportionate share of the rates and other landlord outgoings.

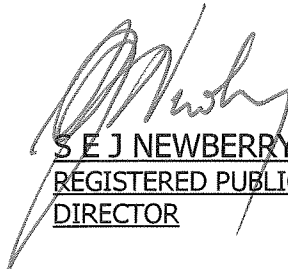
Page 7
206 Tuam Street, City
1 May 2006

We trust that this brief consultancy is satisfactory for your purposes, however if you require any additional detail or information, please do not hesitate to communicate with the writer.

This letter does not comply with the New Zealand Institute of Valuers Practice Standards which requires a full written narrative report.

If there is any further information you require, please do not hesitate to communicate with the writer.

Yours faithfully
FORDBAKER VALUATION



S E J NEWBERRY - B COM (VPM) SPINZ (ANZIV)
REGISTERED PUBLIC VALUER
DIRECTOR

simon@fordbaker.co.nz

Appendix to Valuation:-

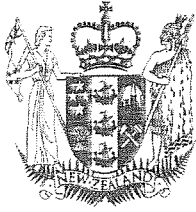
1. Statement of General Valuation Policies
2. Copy of the Certificate of Title
3. Location Plan
4. Aerial Photograph

Ref: SN206TUAM

Appendix 1

STATEMENT OF GENERAL VALUATION POLICIES

1. This valuation and all valuation services are provided by FordBaker Valuation Limited solely for the use of the client. FordBaker Valuation Limited does not and shall not assume any responsibility to any person other than the client for any reason whatsoever including breach of contract, negligence (including negligent misstatement) or wilful act or default of itself or others by reason of or arising out of the provision of this valuation or valuation services. Any person, other than the client, who uses or relies on this valuation does so at their own risk.
2. This valuation has been completed for the specific purpose stated in this report. No responsibility is accepted in the event that this report is used for any other purpose.
3. This report is relevant as at the date of preparation and to circumstances prevailing at that time. However, within a changing economic environment, returns on investment and values can be susceptible to variation - sometimes over a relatively short time scale. We therefore strongly recommend that before any action is taken involving acquisition, disposal or borrowing, restructuring or any other transaction that you consult us.
4. FordBaker Valuation Limited has a policy of not contracting out of the provisions of the Consumer Guarantees Act. Accordingly, where there is any conflict between any statement in this report and the Consumer Guarantees Act 1993, the latter shall prevail.
5. Neither the whole nor any part of any valuation report, or any reference to the same may be included in any published document, circular or statement without our written approval as to the form and context in which it may appear.
6. Substances such as asbestos, other chemicals, toxic wastes or other potentially hazardous materials could, if present, adversely affect the value of the property. The stated value estimate is on the assumption that there is no material on or in the property that would cause loss in value. No responsibility is assumed for any such conditions and the recipient of this report is advised that the valuer is not qualified to detect such substances, quantify the impact on values or estimate the remedial cost.
7. This report complies with the New Zealand Institute of Valuers Practice Valuation Standards.
8. We confirm that FordBaker Valuation holds and maintains a current professional indemnity insurance policy.
9. This valuation may not be used for Contributory Mortgage Lending purposes, however, this policy does not apply to Solicitor Nominee Company Lending.
10. We confirm that the Valuer has no financial interest or otherwise in the property and has no relationship with the vendor, purchasers or agents.



COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952



Search Copy

R. W. Muir
Registrar-General
of Land

Identifier **CB36A/1023**
Land Registration District **Canterbury**
Date Issued **22 July 1992**

Prior References
CB35A/115 CB368/208 CB3A/274
CB41/59 GN 682377.2 GN 704131.2

Estate Fee Simple
Area 7764 square metres more or less
Legal Description Lot 1 Deposited Plan 61272
Purpose Commercial

Proprietors
The Christchurch City Council

Interests

89550 Transfer creating the following easements - 12.4.1911 at 11.49 am

Type	Servient Tenement	Easement Area	Dominant Tenement	Statutory Restriction
Right of way	Lot 1 Deposited Plan 61272 - herein	A DP 61272	Part Town Section 1135 City of Christchurch - CT CB265/27	

89549 Transfer creating the following easements - 12.4.1911 at 11.49 am

Type	Servient Tenement	Easement Area	Dominant Tenement	Statutory Restriction
Right of way	Part Town Section 1135 City of Christchurch - CT CB265/27	Green Transfer 89549	Part Marked A Deposited Plan 61272 - herein	

Approvals

[Signature]
 Administration Manager
 Christchurch City Council
 Decree No. 845328/1
 Registered Proprietor

Consistency/Compliance/Condition
 Certificate No.
 Separate Approvals/Comments
 No.
 New Titles Issued
 Lot / CT 36A / 1073
 Lot / CT 41

SCHEDULE OF EXISTING EASEMENTS

Reference	Survey Instrument	Document
Lot No.	Shown	
Right of Way	A	7-89550

Total Area: 7764 m²

Comprised in C.T. 369/208, C.T. 354/115, 37274, 41239, G.M. 68237/2 & 70493/2

I, *[Signature]*, *[Name]*, of Christchurch, Registered Surveyor and holder of an annual practicing certificate for who may act as a registered surveyor pursuant to section 25 of the Survey Act 1950 hereby certify that this plan has been made from surveys conducted by me or under my direction, that both plan and survey are correct and have been made in accordance with the Survey Regulations 1972 or any modification thereof and that the information therein is true and correct.

Other instruments, lbs. and city

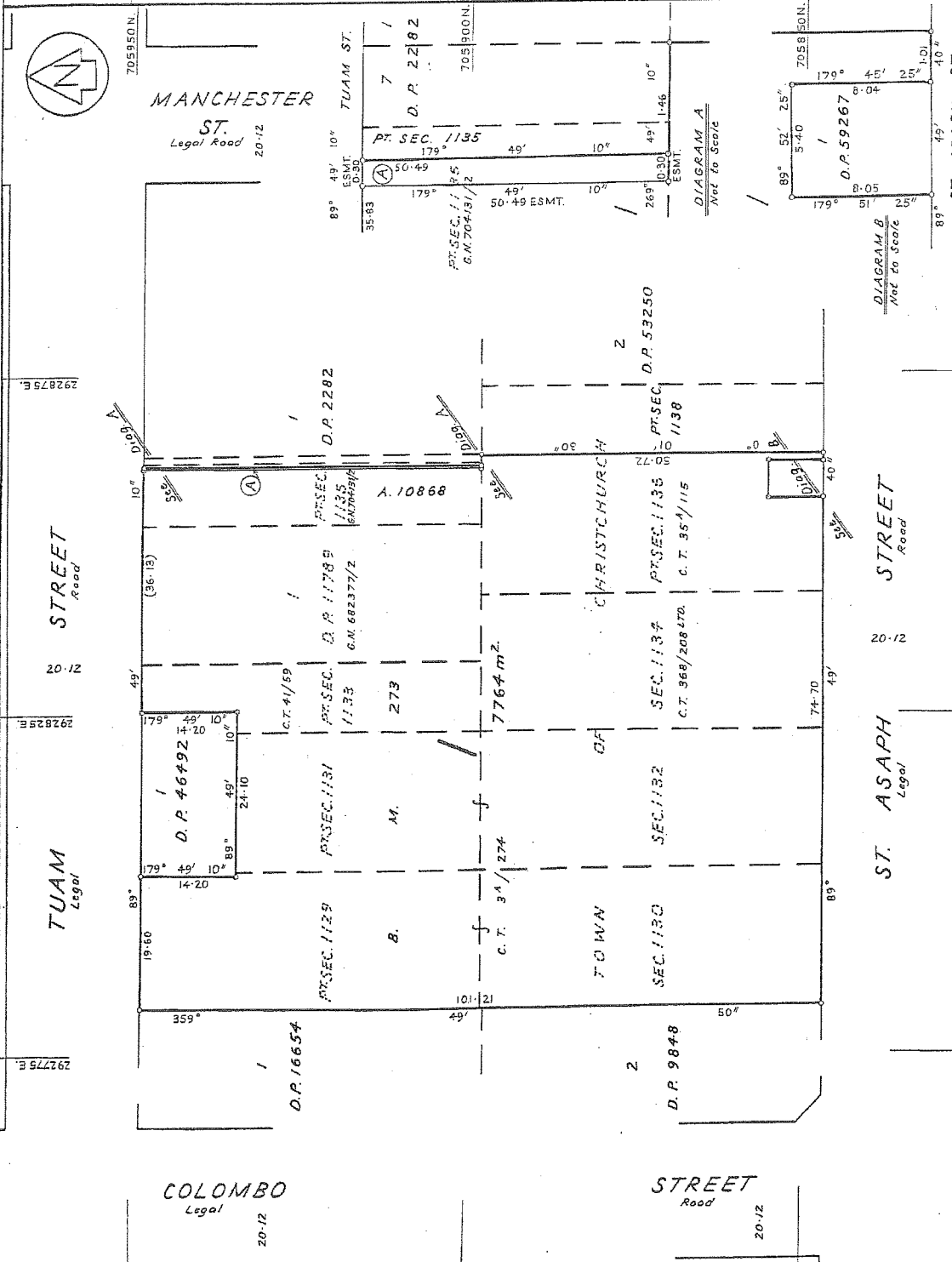
Signature: *[Signature]*

Approved as to Survey

8/17/92 Deputy Chief Surveyor

Deposited this 22nd day of July 1992

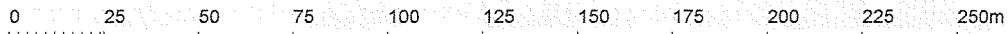
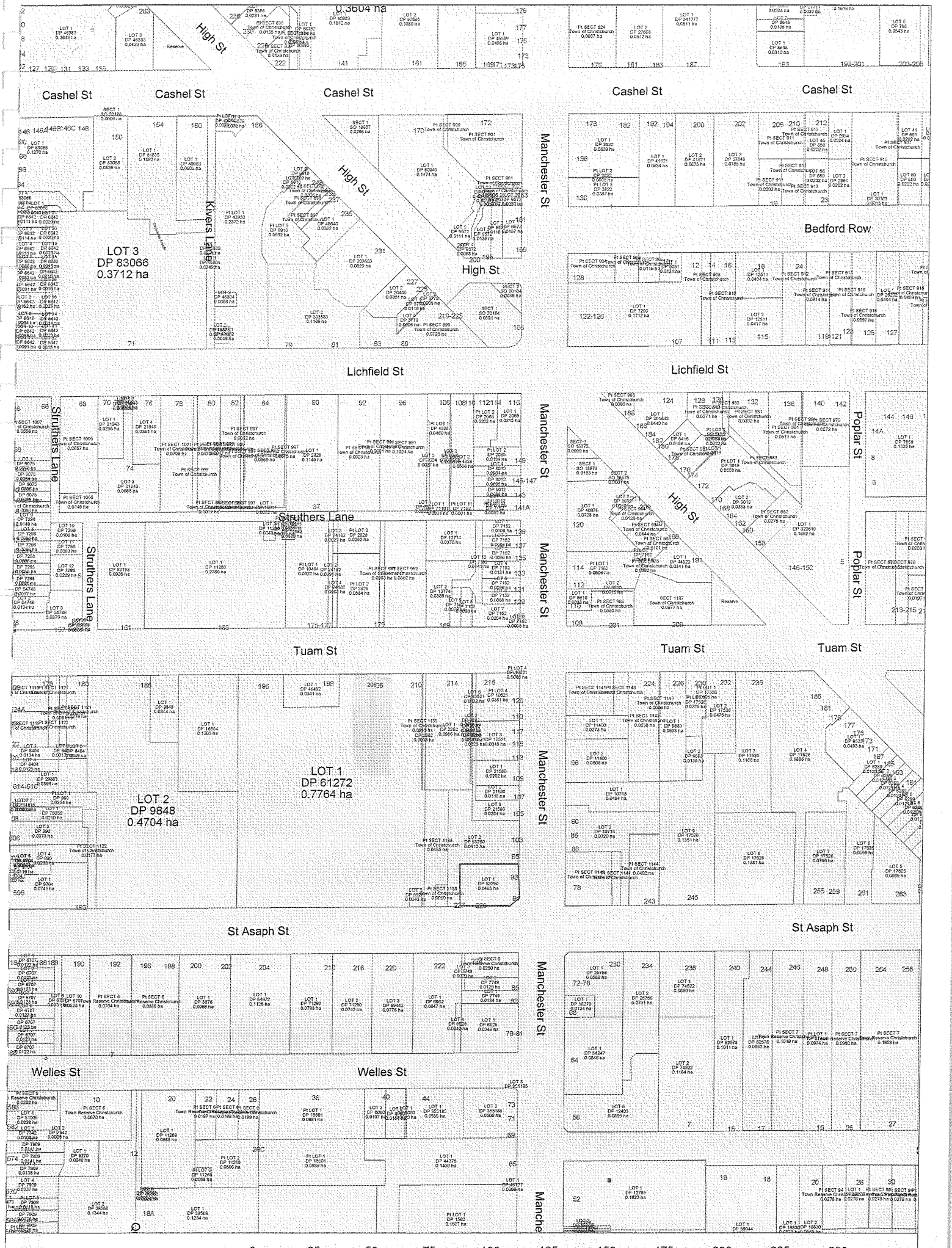
APR 6 1992
 APPL 4. 6. 92
 DP61272



TERRITORIAL AUTHORITY CHRISTCHURCH CITY
 Surveyed by L.J. REILLY
 Scale 1:100 Date APRIL 1992

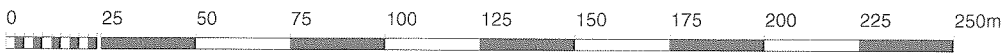
LAND DISTRICT CANTERBURY
 SURVEY BLK. & DIST. XI CHRISTCHURCH
 NZMS 261 SHT N. 35 RECORD MAP No 500/2377/24-27

LOT 1 BEING AMALGAMATION OF
 SEC'S 1130, 1132, 1134, PT. SEC'S 1129, 1131, 1133, 1135 & 1136
 TOWN OF CHRISTCHURCH AND LOT 1 D.P. 11789



QuickMap
Custom Software Ltd

Any person wishing to rely on the information shown on this map must independently verify the information
Scale 1:2000 Topographical and Cadastral map derived from LINZ data. Printed 3/05/2006 09:14



QuickMap
Custom Software Ltd

Any person wishing to rely on the information shown on this map must independently verify the information
Scale 1:2000 Topographical and Cadastral map derived from LINZ data. Printed 3/05/2006 09:14

FORDBAKER

V A L U A T I O N

**A FULLY INTEGRATED PROPERTY COMPANY
WITH FOUR DIVISIONS, FORDBAKER PROVIDES
A COMPLETE PROPERTY SERVICE.**

VALUATION SERVICES

FordBaker Valuation has a large team of registered valuers providing a complete valuation and property consultancy service. Our valuers are experienced and undertake a full range of urban and rural valuation work in all property fields and specialise in the independent valuation of land, buildings, businesses, chattels, plant and machinery.

RESIDENTIAL AND RURAL REALTY SERVICES

FordBaker offers a full residential and rural real estate sales service, together with Project Marketing. With our Vendor Involvement Programme, we handle all types of residential and rural property. Our work for you, the Vendor, involves implementing this action plan to deal with all aspects of selling property and covers the following details with efficient, professional service: administration, photography, advertising, market surveys, printed brochures, computer listings, buyer prospect lists, open homes and auction marketing.

We guarantee a professional service, always acting in the best interests of the vendor.

COMMERCIAL SERVICES

The FordBaker Commercial Division is highly experienced in selling commercial and industrial properties. Our sales consultants offer a wide range of commercial property services, including appraisals of value and rental, together with feasibility analysis and project consultancy.

www.fordbakervaluation.co.nz

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**VAL-GROUP**
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Independent Valuation Practices