

20 September 2022

Wiremu Thomson
[redacted]

Andrew Rutledge
Head of the Office of the Secretary
Treasury
andrew.rutledge@treasury.govt.nz

Re: Te Kaha Canterbury Multi-Use Arena investment case

Dear Mr Rutledge,

I am unsure who at Treasury is best to answer these questions, so I am sending them to you such that you can delegate it to the appropriate person. They are with regard to whether the Te Kaha Investment Case still stacks up.

1. Given Treasury required a successful, detailed investment case before funding approval¹ and the costs have blown out so significantly, has Treasury re-evaluated whether the project meets the requirements for funding and what were these requirements? If not, why not?
2. Has an updated Cost-Benefit Analysis been done since the \$150 million blowout?
3. If so, what is the Benefit-Cost Ratio and how does Te Kaha's BCR compare with the BCRs of other projects that have been funded and how does it compare with other projects of similar scale that have been denied funding?
4. How does Treasury justify the spending on Te Kaha given its high capital cost and low BCR? My estimate has the BCR as 0.40.
5. I note that in the Investment Case, the marginal BCR of all the Te Kaha options compared with just continuing with the temporary Addington stadium were all less than 1.

Regards,
Wiremu Thomson

¹ para. 4.12 of the Canterbury Multi-Use Arena Investment Case:
https://christchurch.infocouncil.biz/Open/2019/12/CNCL_20191212_ATT_4037_EXCLUDED.PDF