

28 January 2026

Ms Lauren Quaintance, Chair
ChristchurchNZ Holdings Ltd
By email: laurenquaintance@gmail.com

Dear Lauren

Christchurch City Council's Expectations for 2026/27

This letter sets out the Council's expectations of ChristchurchNZ Holdings Ltd (CNZHL) board for the 2026/27 financial year. Please consider the expectations set out in this letter and reflect them as appropriate in CNZHL's Statement of Intent (SOI) for 2026/27.

In December 2023 the Council issued an Enduring Statement of Expectations to all its Council-controlled organisations. The expectations in that document continue to be relevant and should be taken into consideration alongside this CNZHL specific Letter of Expectations.

Proposed reform of the local government sector

Proposed reform of the local government sector is the most significant since the 1989 reforms. Specifically there are the Local Government (System Improvements) Amendment Bill and the Resource Management (Consenting and Other System Changes) Amendment Bill, both expected to become law in 2026. As currently drafted, both pieces of legislation will reshape local government powers and functions.

If CNZHL intends to make a submission to the Government on either or both of the above Bills, the Council would like to receive a copy of the submission before it is finalised to ensure alignment.

Additionally, the government has signalled legislation to cap rates increases. If the reforms proceed as outlined, the Council will have tight and constraining legislative limits on its ability to increase rates. The proposed limits are significantly below what has been forecast in planning documents. CNZHL can assist the Council to manage this pressure by upholding high standards of financial stewardship and risk management and ensuring a culture of fiscal restraint within the company.

Council priorities

The Council expects CNZHL to record in its SOI its commitment to supporting the Council's strategic priorities and community outcomes as set out in the 2024-34 Long Term Plan (LTP), and to the 10 key categories measuring progress towards the goals set out in the Economic Ambition.

The Council acknowledges the work that CNZHL is doing on its behalf in co-ordinating the efforts of all the Council's organisations to implement the Economic Ambition. The Council would like this effort to continue and is asking all of its organisation to continue to collaborate with CNZHL in this regard. The Council would like to receive a briefing from CNZHL during the year updating progress on implementation of the Economic Ambition.

To follow are specific matters that the Council would like the CNZHL board to consider for inclusion in its SOI.

Section 17A Review

The review report is still being considered by the Council. Until such time that decisions for change are made the Council expects CNZHL to continue to deliver on its current mandate.

Events planning and funding

The Council expects that its funding for events is applied solely to the direct costs of events. CNZHL is expected to review and re-prioritise its budget where appropriate to allow it to meet the overhead and other non-direct costs of attracting events.

As the commissioning date for One New Zealand Stadium at Te Kaha nears, it is more important than ever that the opportunity for ratepayers is maximised through the ongoing high level of collaboration and co-operation with Venues Ōtautahi Ltd, the Council and other stakeholders.

The City Partners Group (CPG) will continue to co-ordinate and maximise the opportunities for major events in Christchurch and allocate funding. The CPG will continue to assess opportunities based on best for city, best source of funding and opportunities to leverage the funding. LTP events funding will be held by the Council pending allocation decisions made by the CPG.

The Council requests that CNZHL continues to, as part of its quarterly reporting use an established cost/benefit model to report the economic benefits associated with supported events.

Value for money

Given the proposed local government reforms, the Council expects CNZHL's performance to represent value for money. This should be demonstrated by placing a continuous focus on least cost delivery (for defined quality), cost control and minimisation, increasing revenue while containing business and financial risk.

Benchmarking provides valuable insights into performance. CNZHL should look to benchmark its cost structure with other similar agencies across the country, noting there may be differences in the organisational design of the agencies and what they are charged with delivering.

The Council expects restraint to be exercised in the level of executive remuneration, and for CNZHL to be mindful of the public interest in the level of remuneration for executives of CCOs. Levels should reflect independent benchmarking, the need to attract and retain appropriately qualified people, the external market for comparable positions, the size and scale of the organisation and its complexity and scope and the type of expertise and specialisation needed.

Principle 5 of the NZX Corporate Governance Code sets out best practice for remunerating executives of listed companies (acknowledging that CNZHL is not listed but the principles still hold), advising that "the remuneration of directors and executives should be transparent, fair and reasonable". In particular recommendation 5.3 provides that "An issuer should disclose the remuneration arrangements in place for the Chief Executive Officer (CEO) in its annual report. This should include disclosure of the base salary, short term incentives and long-term incentives and the performance criteria used to determine performance-based payments".

The Council requests that CNZHL discloses its chief executive's remuneration annually for both the current and the prior financial year having regard to Principle 5 and Recommendation 5.3 of the NZX Corporate Governance Code referred to above. CNZHL should also consider publishing its executive remuneration policies so that they are publicly and readily available and accessible.

Reporting

The Council understands that there is work currently being undertaken at a national level to develop a performance reporting framework for economic development agency deliverables. CNZHL is requested to consider the applicability of these targets to CNZHL's work and the Council's guidance in previous years that it expects targets to be focussed on outcomes. CNZHL should look to include any targets from this review that are new to it and that it considers to be worthy of adding to its performance framework.

The Council expects CNZHL to continue to set ambitious targets that are achievable and which provide challenge. The current use of expected targets and stretch targets is useful and continuation of this approach is strongly encouraged.

It is important for the Council to understand the underlying drivers of performance variances against SOI targets and against performance in prior years. To that end, the Council seeks the following:

- performance analysis and reporting that directly references the financial statements and to include other information as appropriate to inform operational performance;
- clear narrative in all performance reports as to the reasons for variances in performance;
- inclusion of five-year (at a minimum) trends in key performance drivers annually;
- comparative information about the performance of reasonable benchmark companies and reasons for any material under- or over-performance once a year; and
- definitions and formulas used to assess performance.

Engagement

Effective shareholder engagement is vital for fostering strong relationships between CNZHL and its shareholder. The Council expects all communications between it and CNZHL to be founded on openness and transparency.

Mana whenua are a recognised strategic partner of the Council. CCOs are expected to foster the working and strategic relationships between the Council and the six Papatipu Rūnanga who hold mana whenua status in their respective rohe in Canterbury by maintaining high levels of engagement in areas of mutual interest. A broader expression of the Council's mana whenua expectations is in the 2023 Enduring Statement of Expectations.

The Council encourages CNZHL to collaborate with other Council organisations (including with other CCOs) in pursuit of generating integrated and cost-effective outcomes.

Greenhouse gas emissions reduction

It is vital that the Council and its family of organisations exercise leadership on reducing emissions. The Council has set emissions targets for its operations and for Christchurch District.

Target	2030	2045
Christchurch District (excluding methane)	A 50% reduction from baseline financial year 2016/2017 levels	Net zero greenhouse gas emissions
Christchurch District (methane)	At least a 25% reduction in methane emissions	A 50% reduction from the baseline year 2016/2017
Christchurch City Council	Net carbon neutral by 2030	N/A

The Council appreciates the work undertaken by CNZHL to reduce emissions, while noting that more work is needed. The Council expects CNZHL to include in its SOI:

- acknowledgement of the Council's strategic policies to reduce emissions in Christchurch;
- a clear statement of CNZHL's emissions targets and pathways towards meeting them; and
- consideration of how climate change is expected to affect its operations.

The Council also encourages CNZHL to seek opportunities to incorporate economic, social and environmental resilience into its climate change responses.

The Council would like to receive an update in the 2026-27 financial year on CNZHL's progress against its emissions reduction plans. This would include advice on actions it has or intends to take to promote emissions reductions in the industries it works with.

Governance

The Council expects CNZHL to exercise strong and transparent governance at all levels including the board and executive and to, at all times act with high professional and ethical standards. Board interest registers should be kept and maintained.

The Council expects CNZHL to continue its commitment to:

- best practice human resource and organisational culture management;
- undertaking annual board, director and committee reviews;
- showing leadership in innovative practices;
- promoting diversity at board, executive and employee levels across the group; and
- paying the living wage to employees and consider becoming an Accredited Living Wage provider with Living Wage Movement Aotearoa New Zealand.

No surprises

The Council reiterates the importance of having and complying with a 'no surprises' policy, which includes informing Councillors well in advance of any material or significant events, transactions, and other issues that may be contentious or could attract positive or negative public interest.

If you would like to discuss the content of this letter, please contact Bede Carran, General Manager Finance, Risk and Performance/CFO, Finance on 941 7686 or Linda Gibb, Performance Advisor on 941 6762.

Ngā mihi nui



Phil Mauger

Mayor of Christchurch City

c.c. Alison Adams: Chief Executive, CNZHL (alison.adams@christchurchnz.com)

Due dates	Deliverables to the Council	F&P Committee Meetings 2026
January		28 January
		25 February
28 February	Half year report / Quarter 2 Performance report due	25 March
1 March	Draft SOI	22 April
31 March	End of Quarter 3	
April	Workshop – Progress on achieving Economic Ambition	
1 May	Council comments on draft SOI to CNZHL due	
		27 May
31 May	Quarter 3 performance report	24 June
30 June	Final SOI due	22 July
30 June	End of financial year 2025/26	
31 July	Final SOI to be published on website	
		26 August
		23 September
30 September	End of Quarter 1	
30 September	Annual Report / Quarter 4 performance report due	28 October
October	AGM Notice of Proxy and Agenda	28 October
November	Letter of Expectations	25 November
30 November	Quarter 1 Performance report due	16 December
31 December	End of Quarter 2	