



**ChristchurchNZ  
Holdings Limited**

**Statement of Intent**

**1 July 2020 – 30 June 2023**

Final: July 2020 revised post-Covid

**ChristchurchNZ**

## Directory

**Address:** ChristchurchNZ Holdings Limited (CNZ Holdings)  
PO Box 2962  
Christchurch 8140

**Registered Office:** Level 3  
101 Cashel St  
BNZ Centre (west)  
Christchurch

**CNZ Holdings Ltd Board:** Dr Therese Arseneau (Chair)  
Roland van Bommel  
Paul Bingham  
Stephen Barclay  
Deputy Mayor Andrew Turner  
Clr Mike Davidson  
(common CNZ Ltd Board)

**Auditors:** Grant Thornton Audit Partnership (NZ) Limited

**Contact:** Telephone 03 379 5575

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## **Document Purpose**

This Statement of Intent (SOI) is approved by the ChristchurchNZ Holdings Limited Board and then approved by the shareholder, Christchurch City Council (CCC), in accordance with Section 64(1) of the Local Government Act 2002.

ChristchurchNZ Holdings Ltd (CNZ Holdings) is wholly owned by the Christchurch City Council and, as such, we are a Council Controlled Organisation (CCO).

This Statement of Intent defines the objectives, nature and scope of activity, the performance targets and other measures by which ChristchurchNZ Holdings and its subsidiary CCO, ChristchurchNZ Ltd, may be judged in relation to their objectives over the next three years. The SOI provides an opportunity for CCC to ensure the focus of CNZ Holdings and its subsidiary is consistent with the objectives of Council's Long-Term Plan.

## Introduction: Igniting bold ambition

ChristchurchNZ Holdings Ltd is the city's future-focused economic development agency. We are responsible for stimulating sustainable economic growth for Ōtautahi Christchurch, on behalf of Christchurch City Council.

Our mission is to 'ignite bold ambition for Ōtautahi Christchurch'.

Our strategic priorities are growing high-value decent work, improving GDP output, improving the competitiveness and resilience of Christchurch businesses, and improving the perception of our city and region.

The Covid-19 global health pandemic has created a once in 100-year economic shock. Responding to this is informing the decisions and activities of ChristchurchNZ Holdings Ltd over the duration of this Statement of Intent.

ChristchurchNZ Holdings Ltd is collaborating with local and national partners to support the development and implementation of Christchurch's Socio-Economic Recovery Plan to ensure we protect and enhance livelihoods and promote and stimulate equitable and sustainable growth, repositioning Christchurch for a sustainable future and intergenerational wellbeing.

Christchurch and Canterbury have a strong foundation from which to recover and reposition for the future. Ōtautahi Christchurch is a city where we explore opportunity and are building a sustainable 21<sup>st</sup> century city. This means we embrace change, we are resilient, we are compassionate, and we challenge the status quo. ChristchurchNZ supports this by providing global best-practice in sustainable economic development and city-making. We work in both the short and long-term to ensure sustained impact.

We support the aspiration of iwi to drive intergenerational benefit, articulated by mana whenua as 'for us and our children after us'; and we support the Christchurch City Council's ambition to continue to build resilience and confront the challenges posed by climate change, sector disruption and the changing future of work, all of which require urgent responses and long-term focus.

We bring together partnerships for community economic wellbeing. These partnerships span business, community, iwi and government and are informed by evidence-based economic insights.

Combined the work of our team and our partners will accelerate socio-economic recovery, improve our city and serve to stimulate sustainable economic growth into the future for a prosperous city, region and country.



Dr Therese Arseneau

Chair



Chief Executive

# Our Mission and Purpose

The Mission of ChristchurchNZ Holdings and its operating subsidiary is to:

**Ignite bold ambition for Ōtautahi Christchurch**

**Whakangiha te mura-hiango mō Ōtautahi**

ChristchurchNZ Holdings Ltd is a council-controlled public-benefit entity, wholly owned by the Christchurch City Council, with an independent board. The operational entity is ChristchurchNZ Ltd.

The Purpose of **ChristchurchNZ Holdings Ltd** is:

To hold shares in Council Controlled Organisations aligned to the purpose of economic growth and city economic regeneration on behalf of Christchurch City Council.

The purpose of **ChristchurchNZ Ltd** is:

To stimulate sustainable economic growth for a more prosperous Ōtautahi Christchurch.

It is likely that the whole economy will be in recession for the 2020-21 financial year due to Covid-19. The mission and purpose of ChristchurchNZ Holdings and ChristchurchNZ Ltd remain relevant in order to accelerate as quickly and strongly as possible out of recession through improving the resilience and competitiveness of Christchurch businesses and repositioning the city's economy for future prosperity.

## How We Work

**ChristchurchNZ Holdings Ltd is a public benefit entity. We are motivated by public good.**

In everything we do, we ensure we use our resources most effectively and efficiently to make a difference for the Christchurch community by stimulating sustainable economic growth with a future focus.

**We are committed to a resilient and sustainable future.**

We are committed to ensuring growth is sustainable, and delivers multi-generational benefit ensuring environmental quality and economic inclusion are maintained and enhanced.

Our strategic priorities and actions aim to deliver improved prosperity, which can only come from a resilient economy, environment and our community.

We are actively responding to the COVID-19 shock and contributing to Council's climate change policy targets through our Strategic Outcomes measures to reduce our organisational carbon footprint and to support businesses to consider and address their environmental footprint to improve their resilience and competitiveness. ChristchurchNZ has undertaken an independent greenhouse gas emissions inventory and has an action plan in place to reduce emissions.

**We have bold ambition for Christchurch.**

We champion Ōtautahi Christchurch. Our role is to inspire and activate transformation and exploration of new opportunities. We operate with bravery, boldness and a strong commitment and belief in a better sustainable economic future for our city.

**We take intelligent risks.**

We recognise risk-taking is inherent to our role in the city. We use and develop evidence and insights to ensure we make informed decisions; to inform others to achieve prosperity for the people of Christchurch and New Zealand; and, to learn from our successes and failures.

**We seek partnership in all we do.**

We recognise we can only succeed in delivering on the city's prosperity goals through partnership with others with a common cause.

We are significantly growing the breadth and depth of our strategic and commercial partnerships to ensure we can amplify success, affect significant change and deliver powerful impact.

We work with our wider family of city agencies taking a 'best for city' approach, working to each of our strengths and mandates and working collectively to deliver on the 10-year Prosperity Goals and Council Community Outcomes and to enable local activity consistent with the UN Sustainable Development Goals.

**We seek a deep partnership with mana whenua.**

We have recognised the principle of intergenerational impact is critical to ChristchurchNZ's success and is informed by the stated intent of Te Rūnanga o Ngāi Tahu: Mō tātou, ā, mō kā uri ā muri ake nei – for us and our children after us

We are committed to continuing to build an understanding of Te Ao Māori and cement enduring relationships with: Ngāi Tūāhuriri, as mana whenua for Ōtautahi; Te Rūnanga o Ngāi Tahu, as supporting governance entity for all South Island Papatipu Rūnanga; Canterbury papatipu rūnanga; and specialist iwi entities.

**We are a committed partner within the Christchurch City Council Group.**

We recognise the importance of working in partnership with the Christchurch City Council and the Christchurch City Holdings Ltd (CCHL) Group to deliver on the Council's Community Outcomes.

ChristchurchNZ works closely with Vbase, the Council's event venue management function, to deliver major events and business conventions in Christchurch.

The CCHL infrastructure subsidiaries (Christchurch International Airport Limited, Lyttelton Port Company, Enable and Orion) underpin the competitiveness of the Christchurch economy and directly benefit from improved economic performance of Christchurch and wider regional economies. ChristchurchNZ Holdings Ltd is committed to identifying opportunities to align strategies, priorities and investment with CCHL and its subsidiaries to deliver greater prosperity, improved community outcomes and dividends to our mutual shareholder, Christchurch City Council.

**We enable and empower our people to do great things.**

ChristchurchNZ seeks to attract, retain and develop great people. We are committed to being an exemplar workplace, where staff are enabled and empowered to realise their full potential and make the largest possible contribution to Christchurch.

Our remuneration and people and culture policies seek to ensure a fair, equitable approach that enables the organisation to attract the best talent. We acknowledge and act in accordance with the shareholder request to exercise restraint in respect of executive remuneration and pay our people a fair wage, with a commitment to at least the Living Wage for all staff, including fixed-term staff.

Our processes, systems and tools enable our people, partners and customers to operate effectively and appropriately with low bureaucracy while ensuring we can demonstrate value for investment through transparent and robust prioritisation and reporting.



## Part 1: Delivery - The Nature and Scope of Our Activity

### ChristchurchNZ Ltd

#### ChristchurchNZ – Our Priorities

ChristchurchNZ's strategic outcomes are as follows:

##### External Strategic Outcomes

ChristchurchNZ contributes measured improvement to:

1. High-value decent work

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2. GDP output

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3. Resilience and competitiveness of Christchurch businesses

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4. Perception of Christchurch by key audiences

##### Internal Strategic Outcomes

We will also:

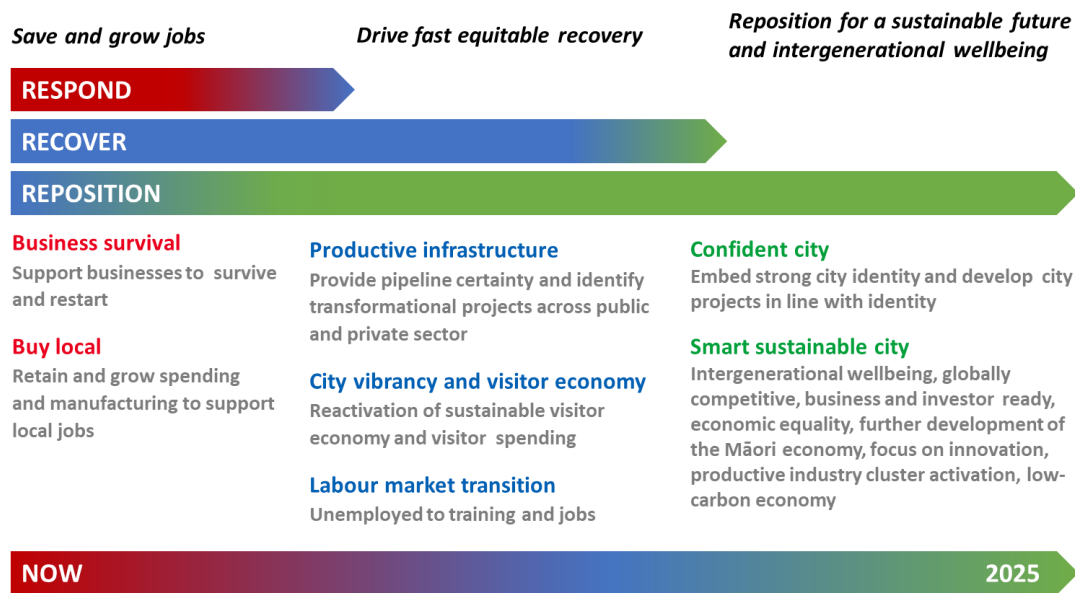
1. Lead partnerships to the benefit of the city, utilising economic and sustainable development insights

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2. Improve CNZ's financial, social and environmental performance

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For the duration of this Statement of Intent period, ChristchurchNZ will deliver these strategic outcomes through implementation of the Christchurch Economic Recovery Plan:



The framework identifies urgent action to support business survival, keep as much of the economy functioning as possible and support households and livelihoods **Respond**; activity over the medium term to support **Recovery**, through supporting economic activity and jobs regrowth as lock-down restrictions ease; while ensuring a focus on **Repositioning** the city for long-term prosperity through:

1. Intergenerational wellbeing and economic equality
2. Further development of the Māori economy
3. Activity that ensures Christchurch is globally competitive, supportive of business, investor ready
4. Innovation within a low-carbon and digital economy.

All workstreams have begun, but the implementation is phased in response to the pathway of the economic shock.

## ChristchurchNZ – How our success will be measured

**To deliver our Strategic Outcomes, our performance will be measured through the delivery of our Levels of Service.** Due to the financial pressures the Council is under as a result of COVID-19 ChristchurchNZ has had a funding reduction in 2020/21 year of 12% (\$1.332m). COVID-19 has also led to a significant reduction in third-party revenue, further reducing resources available to ChristchurchNZ. Every effort is being made to ensure the successful delivery of key outcomes through prioritisation of effort, and cash reserves will be utilised over a three-year period to ensure required activity and post-COVID economic development can be delivered.

ChristchurchNZ will meet the following targets:

*Note: Out year measures are subject to confirmation of long-term funding levels and models:*

Strategic Outcome Level of Service	Level of Service Measure	2020/21	2021/22 <sup>1</sup>	2022/23 <sup>1</sup>
<b>Grow GDP Output</b> ( <i>all activity contributes to growing GDP Output</i> )				
<b>High-value decent work</b>				
Build innovation and entrepreneurial strength	Actively work with businesses to attract them to the city to support economic recovery and repositioning  Deliver initiatives to support industry cluster development, including Supernodes, to support job creation and work opportunities  Support start-up/SME companies to grow innovation and entrepreneurship capability aligned with priority focus areas	50 businesses  6 initiatives  40 start-ups / SMEs	60 businesses  6 initiatives  50 start-ups / SMEs	70 businesses  6 initiatives  60 start-ups / SMEs
Build a productive knowledge city to grow decent work	Lead or play key role in the Regional Skills Leadership Group focused on transitioning more people into decent jobs and training	Key role in RSLG	Key role in RSLG	Key role in RSLG
Realise greater value from Christchurch's Antarctic Gateway	Build a business network which secures higher revenues from the National Antarctic Programmes  Deliver actions as set out in the Antarctic Gateway Strategy implementation plan	100 businesses  Actions delivered	125 businesses  Actions delivered	150 businesses  Actions delivered

<sup>1</sup> Out-year measures are subject to confirmation of long-term funding levels and models.

Improve perception of Christchurch among key audiences				
<p>Grow Christchurch city identity and shift perception to attract visitors, new residents, business and investment, and to grow residents' advocacy and confidence</p>	<p>Ensure people and organisations are using city narrative assets and content to tell the Christchurch story integrated with their own organisation or business story</p> <p>Increase in social engagement year on year</p> <p>Increase impressions to ChristchurchNZ website year on year</p> <p><i>Outyears: estimated Advertising Value (EAV) through marketing campaigns run by ChristchurchNZ targeting businesses, leisure visitors, students, potential migrants and residents – target to be developed</i></p> <p>Significant engagements with trade agents and investors in priority markets and sectors. Sectors - business, leisure visitor, convention, screen, education, Antarctic and media</p>	<p>5 organisations</p> <p>500 people accessing narrative assets per month</p> <p>30% increase</p> <p>25% increase</p> <p>40 engagements</p>	<p>5 organisations</p> <p>500 people accessing narrative assets per month</p> <p>\$EAV</p> <p>50 engagements</p>	<p>5 organisations</p> <p>500 people accessing narrative assets per month</p> <p>\$EAV</p> <p>60 engagements</p>
<p>Develop Christchurch as an attractive destination</p>	<p>Attract and support enquiries to film in Christchurch and Canterbury, with a view to growing Canterbury's market share of screen GDP</p> <p>Support a portfolio of Major Events that delivers increased spending and city repositioning</p> <p>Deliver major event seed funding round in line with the Major Events Strategy and Economic Recovery Plan to support increased spending and city repositioning</p> <p>Destination product offerings developed and supported which embed the city narrative</p> <p>Prepare city bids to attract business events to Christchurch in line with the economic recovery plan and position Christchurch as an innovative and knowledge city</p> <p>Success rate for business event bids</p>	<p>100 enquiries</p> <p>Portfolio of events</p> <p>One funding round</p> <p>5 products</p> <p>30 city bids</p> <p>35% success rate</p>	<p>100 enquiries</p> <p>Portfolio of events</p> <p>One funding round</p> <p>5 products</p> <p>30 city bids</p> <p>35% success rate</p>	<p>100 enquiries</p> <p>Portfolio of events</p> <p>One funding round</p> <p>5 products</p> <p>30 city bids</p> <p>35% success rate</p>

<b>Improve resilience and competitiveness of Christchurch businesses</b>				
Ensure Christchurch businesses have access to comprehensive advice and support to grow employment, competitiveness, resilience and sustainability	Christchurch and Canterbury businesses accessing support, mentors and advice provided in partnership with central Government and industry and peak bodies, including the Chamber  Satisfaction of businesses accessing support or advice services	500 businesses  NPS >+50	500 businesses  NPS >+50	500 businesses  NPS >+50

ChristchurchNZ will also deliver to the following internal strategic outcomes and measures:

<b>Strategic Outcome</b>		<b>2020/21</b>	<b>2021/22<sup>2</sup></b>	<b>2022/23*</b>
<b>Level of Service</b>	<b>Level of Service Measure</b>			
<b>Lead Partnerships to the benefit of the city, utilising economic and sustainable development insights</b>				
Partner with mana whenua to support growth in Māori prosperity and self determination	Develop a strategic partnership with mana whenua and Te Runanga o Ngāi Tahu entities to grow the value of the Maori economy and deliver intergenerational prosperity and create decent work. Implement joint activity	At least 1 partnership	1 partnership	1 partnership
Develop and implement strategic partnerships	Develop and implement strategic partnerships with: <ul style="list-style-type: none"> <li>• Key innovation and entrepreneurial partners to grow the rates of entrepreneurship, innovation and commercialisation in Christchurch</li> <li>• Tertiaries to grow regional skills and opportunities and research commercialisation</li> <li>• Central government agencies (NZTE and Callaghan Innovation) and the Chamber to provide a 'combined voice' to drive competitiveness, resilience and sustainability of Christchurch and Canterbury businesses</li> <li>• A view to developing and promoting Christchurch as a high-value visitor destination</li> </ul>	5 partnerships	5 partnerships	5 partnerships

<sup>2</sup> Out-year measures are subject to confirmation of long-term funding levels and models.

Strategic Outcome Level of Service	Level of Service Measure	2020/21	2021/22 <sup>2</sup>	2022/23*
	Secure third-party investment into destination and product development and promotion	\$1m	\$1m	\$1m
	Secure central government funding into: <ul style="list-style-type: none"> <li>Innovation and entrepreneurship</li> <li>Labour market transition</li> <li>Regional business support</li> </ul>	\$1m	\$1m	\$1m
Provide leadership in inclusive and sustainable economic development for Christchurch	Complete economic research and insights reports and effectively disseminate to provide city partners with robust evidence base on which to base strategies and investment decisions	12 reports	12 reports	12 reports
	Measure number of people actively engaging with ChristchurchNZ economic and strategic insights to ensure utility	1000 people	1000 people	1000 people
	Support development of the (Covid-19) Recovery Plan for the city. Implement initiatives within mandate	Implement plan	Implement plan	Implement plan
	Update city economic strategies in context of Covid-19 economic recovery	CEDS (within GC2050 <sup>3</sup> )	Visitor	CEDS
		Major Events		
		Antarctic Gateway		
<b>Improve CNZ financial, social and environmental performance</b>				
	Assess and report social, environmental and financial performance aligned with UN Sustainable Development Goals	Report completed	Report completed	Report completed
	Maintain high employee engagement	3.75 or above	3.75 or above	3.75 or above

<sup>3</sup> Greater Christchurch 2050 is explained in more detail in Part 2 of this Statement of Intent.

Strategic Outcome Level of Service	Level of Service Measure	2020/21	2021/22 <sup>2</sup>	2022/23*
	Keep our people safe	4.5 or above	4.5 or above	4.5 or above
	Zero Serious Harm	Zero	Zero	Zero
	Reduce carbon footprint (Benchmark in 2018/19 is 120 tonnes)	By 12 tonnes	By 10.8 tonnes	Reduce
	Financial measures	See Financial Performance Section of SOI		

## **ChristchurchNZ – How we deliver**

ChristchurchNZ delivers to its strategic outcomes by working strategic partnerships with local and national entities, delivering a range of services through its functions:

### **Innovation and Business Growth**

The Innovation and Business Growth team develops and attracts talent, business and innovative enterprise in Christchurch.

The team's focus, in the context of economic recovery, is to work with local partners and central government to support businesses to survive and retain jobs, and to transition local people into decent jobs and training. The team also works with local and national partners to reposition the economy through the development of key industries with high growth potential and the capacity to provide high value decent jobs in the long-term and developing a strong ecosystem to support innovation and talent development. These "Supernode" industries include Future Transport and Aerospace, Health Technology and Resilient Communities, Food, Fibre and Agritech. The team supports businesses to improve their resilience and competitiveness, thereby improving their ability to provide sustainable decent work and attracts businesses in key growth industries.

### **Economic Strategy and Insight**

The Economic Strategy and Insight team produces bespoke research into economic issues impacting Christchurch and Canterbury and provides detailed strategy and policy advice to the private and public sector based on these insights. The team develops and reviews the four city strategies which ChristchurchNZ is responsible for. The insights are designed to be actionable and to stimulate private sector activity and public-private partnerships that lead to improved resilience and competitiveness.

The team have contributed heavily to the development of the Greater Christchurch 2050 Strategic Framework and will continue to support this work as it is led by the Greater Christchurch Partnership.

### **Marketing and City Profile**

This team is responsible for shifting the perception of Christchurch locally, nationally and internationally.

The team leads the development and embedding of the Christchurch City Narrative for the city with a view to creating a confident city which attracts talent, economic activity and innovation aligned with the city's sustainable development ambitions.

The Christchurch Narrative describes Christchurch as a city open to new ideas and people where we explore opportunity. A place where exploration is part of who we are, it is part of what has shaped us. A fuller outline of the Christchurch City Narrative can be found in Appendix One of this document.



## **Destination and Attraction**

The Destination and Attraction team supports the development of major events, including some of the city's highest profile major events and business events to contribute to economic growth, city profile and community cohesion.

The team also ensures Christchurch is an attractive and exciting city for residents and visitors. The team liaises with the tourism industry locally and internationally to ensure a sustainable visitor sector.

The Convention Bureau is responsible for attracting major conventions to Christchurch supporting Te Pae convention centre, Town Hall, Horncastle Arena and other city venues.

## **The Christchurch Antarctic Office**

The Antarctic Office ensures Christchurch's status as a gateway to the Antarctic is celebrated and the value realised. The office supports the international Antarctic programmes based in the city and leads the implementation of the Christchurch Antarctic Gateway Strategy.

## **Screen CanterburyNZ**

Screen CanterburyNZ is the front door for film enquiries in the region supporting the production of screen related activity in Canterbury.

These teams are supported by our **Commercial** and **Shared Services** teams, which focus on ensuring we have a diversified revenue base and strong partnerships to amplify the value of public sector investment; and that we operate efficiently and as an exemplar employer contributing positively to the city as an organisation committed to social, environmental and economic benefit.

## Part 2: Our place in the world

### Economic and Wellbeing Context

#### Pre Covid-19

At the beginning of 2020, Christchurch was emerging from the post-quake rebuild phase with a strong platform for future growth and prosperity.

The city has clear inherent strengths as the South Island's largest urban centre and New Zealand's second largest city with strong manufacturing, technology and knowledge services sectors, four tertiary institutions and numerous research organisations, located within a rich and diverse natural environment.

Ōtautahi Christchurch sits within the takiwa of Ngāi Tahu. The iwi sustains a strong cultural and economic base, committed to caring for our land and people and delivering long-term intergenerational benefit.

Christchurch is the international gateway and logistics hub for Canterbury, the South Island and one of only five gateways internationally to the Antarctic.

The rebuild has provided new, safe and resilient buildings and horizontal infrastructure, state of the art education and health facilities, fresh amenity and public spaces. And the city has the capacity for growth, with affordable real estate – a consequence of residential supply meeting demand – with room to expand and limited congestion. This is a uniquely competitive position which provides a counterbalance to national urban capacity constraints in other urban centres.

However, at the beginning of 2020, the city was not without its economic challenges. Christchurch is grappling with the challenges facing all cities – responding to rapid global change in technology, consumer preferences, society and geo-politics; an aging population; and, the need to transition with urgency to a more environmentally sustainable economy.

Christchurch also faces some particular challenges, with an economy which is transitioning out of post-earthquake stimulus, resulting in below-average national economic growth. The city also has lower productivity and lower wages on average than other major cities in New Zealand.

Christchurch's economy is dominated by small enterprises and its innovation and venture capital ecosystems are still developing and are relatively immature compared to Auckland and Wellington.

The transition out of post-quake rebuild stimulus means the city is experiencing relatively low economic growth and is struggling to grow demand quickly enough to maintain the regeneration momentum, particularly in the central city, with a risk that regeneration could stall.

## **Impact of Covid-19**

The economic shock associated with Covid-19 is being recognised as a “100-year event” which will cause significant disruption to Christchurch’s economy, its businesses and workers as well as the national and international economy.

ChristchurchNZ’s latest modelling (5 May 2020) estimates an impact on the city’s GDP of -6% to -12% and additional 12,600 to 25,400 job losses for the 2020/21 year, with recovery thereafter. However, the pathway through and out of Covid-19 is unclear. The impact of this shock on Christchurch and Canterbury will be influenced by:

- Direct health impacts and the response by central government and the health system
- The speed with which vaccine and therapy is widely available and the effectiveness of containment
- The duration of border closure and restrictions on movement
- Impact of Covid-19 (and the response) on local and international markets
- Impact of Covid-19 (and the response) on consumer behaviour; social norms and values; and business practices

The diversity of the city’s economy and its strong connection to the regional agricultural sector provide resilience against the Covid-19 shock. However, those aspects of the economy with strong dependence on the visitor economy and consumer spending (retail, hospitality, leisure services, some regional towns and the central city) will be severely if not structurally impacted by the shock.

The city’s, and nation’s, economic recovery is vulnerable to:

- ongoing uncertainty regarding our interactions with international markets including the status of border restrictions
- the impact of Covid-19 on international demand and the functioning of international logistics
- the potential for structural change in the way people travel and connect
- subdued business and consumer confidence which will likely reduce consumer and investment activity, impacting on short-term and long-term prosperity.

## **Supporting the city through recovery and into repositioning for the future**

Christchurch’s platform for long-term economic prosperity is strong.

As efforts move from economic response to recovery, a competitive environment will emerge between cities. The cities and regions that are coordinated and have a clear roadmap for recovery will be best placed to compete in this environment for talent, investment and visitors.

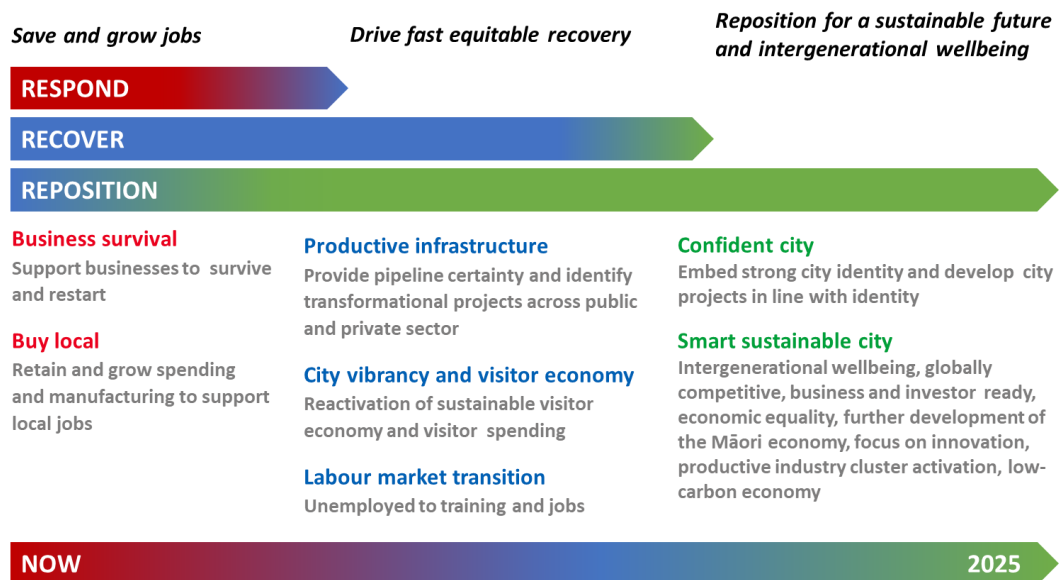
The cities that will be successful will not only have existing regional advantages, such as those Canterbury enjoys, they will also move decisively to focus on strategic activity designed to speed up recovery by identifying, responding to and promoting opportunities.

Christchurch needs to identify and develop the new globally relevant growth industries which build on our economic strengths, which include engineering, building design, manufacturing, air and space transport, health services and servicing a strong regional agricultural sector.

There is also an opportunity to further leverage our geographical strengths to develop a stronger city profile as a basecamp for exploration in many forms, whilst continuing to grow civic pride, attractiveness and confidence.

Christchurch has the potential to contribute more significantly to the national economy through activation and stimulation that ensures the city has the population base for sustained investment, with an evolving, future-proofed, and increasingly outward focussed economy.

The Economic Recovery Plan sets the framework for this activity:



## Our strategy and policy context

The work of ChristchurchNZ Holdings Ltd sits within a cascading set of sustainable development frameworks, which guide development work globally and locally – from the United Nations Sustainable Development Goals and Treasury’s Living Standards framework through to the Christchurch City Council’s Community Outcomes framework.



Our work delivers directly to a sub-set of each of these frameworks. However, our priorities and activity take account of other areas of the local and international framework and ensure we are consistent with these frameworks.

The Covid-19 economic recovery context impacts on the focus of effort within these frameworks and the pathway and speed with which we achieve our goals but does not change our commitment to intergenerational wellbeing and economic prosperity.

### Christchurch City Community Outcomes Context

The Christchurch City Council’s strategic framework seeks to deliver community benefit to Christchurch and the wider region socially, environmentally and economically. The work of CNZHL is designed to deliver directly to this in partnership with the Christchurch City Council and the CCHL Group. Our work is most strongly aligned with the following CCC Community Outcomes:

<b>Prosperous Economy</b>	<p>Great place for people business and investment</p> <p>A productive, adaptive and resilient economic base</p> <p>An inclusive and equitable economy with broad based prosperity for all</p>
<b>Resilient communities</b>	<p>Celebration of our identity through arts, culture, heritage, sport and recreation</p> <p>Strong sense of community</p>
<b>Liveable city</b>	<p>Vibrant and thriving city centre</p> <p>21st century garden city we are proud to live in</p> <p>Sustainable suburban and rural centres</p>
<b>Healthy environment</b>	<p>Sustainable use of resources and minimising waste</p> <p>Unique landscapes and indigenous biodiversity are valued</p>

## Greater Christchurch 2050

The Greater Christchurch Partnership<sup>4</sup> have begun the development of a strategic framework and plan to:

1. Provide clear and agreed aspiration and positioning of Greater Christchurch focused on intergenerational wellbeing
2. Drive and focus partnership investment and commitment to deliver shared outcomes
3. Support partnership and an investment agreement between local and central government
4. Build private sector confidence and investment

This framework will provide strategic direction, outcomes and targets for the Christchurch City Council Group, including ChristchurchNZ for 2021/22 and beyond.

ChristchurchNZ is actively contributing to the development of this strategic framework.

## Global Sustainable Development Context

Our priorities are also consistent with approaches to sustainable economic development globally. We seek to ensure our work contributes to global goals and that we use language that is understood globally to describe our work.

The Sustainable Development Goals are a call for action by all countries to promote prosperity. They recognise that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection<sup>5</sup>. New Zealand is one of the 193 nations to have committed to the goals.

These goals provide a global context for sustainable economic development work carried out at a city level. The work of ChristchurchNZ Holdings Ltd delivers to targets within:

**Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all**

**Goal 17: Revitalize the global partnership for sustainable development**

Our work is consistent with targets within other goals in areas relating to equity, fairness, transparency, education, poverty reduction, city and community building and environmental impact. While we do not directly deliver to all the goals, we seek to ensure our work does not undermine progress towards these.

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<sup>4</sup> Greater Christchurch Partnership includes Ngāi Tahu, Christchurch City Council, Selwyn District Council, Waimakariri District Council, Environment Canterbury, Canterbury District Health Board and representation of central government

<sup>5</sup> <https://www.un.org/sustainabledevelopment>

## Part 3: Group Governance & Financial Performance Targets

Financial Objectives					
Objective		Performance			
1.	Financial performance of CNZ Holdings Ltd and its subsidiary meets shareholder expectations (budget).	<b>Group meets or exceeds budgeted key performance measures.</b>			
			<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
			<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
		<b>CCC Funding</b>	<b>10,618</b>	<b>13,500*</b>	<b>13,500*</b>
		<b>Third Party Revenue **</b>	<b>2,973</b>	<b>1,231</b>	<b>1,635</b>
	<b>Shareholder's Funds/ Total Assets</b>	<b>67.9%</b>	<b>59.3%</b>	<b>53.6%</b>	
		<p><i>Note: as a Public Benefit Entity with an agreed purpose of economic growth and city economic regeneration, there is no expectation of a dividend distribution to the shareholder.</i></p> <p><i>*Funding requested in Long Term Plan</i></p> <p><i>**Includes all other sources of revenue</i></p>			
2.	The capital structure and funding model of CNZ Holdings Ltd and its subsidiary is appropriate for the nature of its business.	<p>CNZ Holdings Ltd utilises CCC funding for the objectives as set out in CCC's Long Term Plan and secures additional funding from appropriate sources to complete specific projects as required.</p> <p>The CNZ Holdings Group has a reserves policy that is updated annually.</p>			
3.	CNZ Holdings Ltd ensure best practice governance	The CNZ Holdings Board maintains and adheres to a best practice governance manual.			



Financial Objectives		
Objective		Performance
4.	CNZ Holdings Ltd will meet shareholder expectations regarding reporting, no surprises and strategic input.	CNZ Holdings and its subsidiary meet all shareholder reporting expectations.  CNZ Holdings and its subsidiary engage with CCC staff and elected members as required on relevant topics.
5.	Treasury management policies and practices are consistent with best practice.	Treasury Policy is reviewed biennially.
6.	The Accounting Policies of CNZ Holdings Ltd and its subsidiary are consistent with shareholder requirements and comply with IPSAS.	Annual external audit reviews do not highlight any material issues.

## CNZ Holdings Ltd Group Corporate Governance

The CNZ Holdings Ltd Board of Directors is an independent board appointed by the shareholder on advice from Christchurch City Holdings Limited (CCHL) in accordance with the CCC Director appointments and remuneration policy and a memorandum of understanding (MOU) between the three entities.

CNZ Holdings Ltd is monitored by the Finance & Performance Committee of the Whole. Measures monitored are those outlined in the CNZ Holdings Ltd Statement of Intent and agreed Levels of Service within the Long-Term Plan.

### Our Group Structure

**CNZ Holdings Ltd** manages its governance of subsidiary and related entities against the stated purpose of each entity. The CNZ Holdings Board monitors the operational delivery of its subsidiary through the annual business plans.

**ChristchurchNZ Ltd** is a wholly owned subsidiary of CNZ Holdings Ltd. ChristchurchNZ Ltd has a common Board with CNZ Holdings Ltd. ChristchurchNZ Ltd is contracted by CCC to deliver economic development services as set out in the Levels of Service in CCC's Long Term Plan, the details of which are included in this document.

**Canterbury Regional Business Partners Limited** is a joint venture between ChristchurchNZ Ltd and the Canterbury Employers Chamber of Commerce. This Joint Venture initiative is in the last year of a funding agreement with Callaghan Innovation and New Zealand Trade and Enterprise to co-ordinate business capability building and research and development related activities across the Canterbury region.

## **Role of the Board of Directors**

The group's Board: CNZ Holdings Ltd (common board with CNZ Ltd) is responsible for setting the strategic direction, oversight of the management of the company and direction of its business strategy, consistent with the stated purpose. The Board is accountable to the shareholder for the performance of the company and will act in accordance with any letter of shareholder expectation received.

The Board draws on relevant corporate governance best practice principles to assist and contribute to the performance of CNZ Holdings and act in accordance with the guidelines and policies set out in the organisation's Governance Manual.

All Directors are required to comply with a formal Code of Conduct which is based on the New Zealand Institute of Directors' Code of Proper Practice for Directors. The Board meets at regular intervals throughout the year and as determined by an agreed annual work programme.

## **Board Committees**

The Board may, from time to time, establish committees to assist it in carrying out its responsibilities. For each committee the Board adopts a formal charter that sets out the delegated functions and responsibilities for, and the composition and any administrative matters relating to, that committee.

A Health, Safety and Audit and Risk Committee and a People and Culture Committee have been established by CNZ Holdings Ltd.

The CNZ Holdings Board is responsible for the oversight of its committees. This oversight includes, in relation to each committee, determining and reviewing its composition and structure and regularly reviewing its performance against its charter.

## **Delegation of Responsibilities to Management**

The Board has delegated management of the day-to-day affairs and management responsibilities for Christchurch NZ to ChristchurchNZ Ltd's Chief Executive to deliver the strategic direction and goals determined by the Board.

The CNZ Holdings Board has also developed a statement of their 'Reserved Powers'.

Directors and Board committees have the right, regarding their duties and responsibilities, to seek independent, professional advice at ChristchurchNZ Ltd's expense, subject to Board approval.

## **Board Composition and Fees**

The composition of the Board of Directors is determined by the shareholder. For CNZ Holdings, this is determined by CCHL under the CCC policy on Council Controlled Organisations (CCO) board appointments. Directors' fees are reviewed periodically as part of the CCHL process. The Board comprises independent and council directors with an Independent Chair.

Established practice is for a donation to be paid to the Mayoral Welfare Fund (or other charity as instructed by Council) in lieu of payment of Directors fees to Councillor Directors.

## **Reporting and Monitoring**

CNZ Holdings reports quarterly to CCC against its Statement of Intent as well as ChristchurchNZ Ltd's Levels of Service contract with Council, the details of which are included in this document. CNZ Holdings expects to meet with and report quarterly to the CCC Finance & Performance Committee of the Whole.

## **CNZ Holdings Ltd Group Accounting Policies**

CNZ Holdings Ltd and its subsidiary are Public Benefit Entities (PBE) for the purposes of financial reporting. The financial statements are prepared in accordance with the PBE Standards Reduced Disclosure Regime for a Tier 2 entity.

The group's current accounting policies are consistent with New Zealand International Public-Sector Accounting Standards, generally accepted accounting practice (NZ GAAP) and in accordance with the Companies Act 1993 and the Financial Reporting Act 1993 and any amendments thereto.

## **Reserves**

The CNZHL Reserves policy is approved annually by the CNZHL Board.

The policy provides a framework for the creation and utilisation of reserved funds in ChristchurchNZ. It requires CNZHL to hold in reserve funding received to deliver projects and not spent in the year in which it is received. The policy ensures sufficient provision for forward scheduled activity due to the long lead times for operational activity.

In addition, CNZHL is holding a small cash reserve vested in the Canterbury Development Corporation and in turn ChristchurchNZ Holdings Ltd, through now defunct subsidiary CRIS Ltd. The utilisation of a portion of this reserve is budgeted annually for activity consistent with vesting deeds. The purpose of this reserve is to 'provide stimulus funding and investment to enhance long-term economic transformation and sustainable economic benefit for Christchurch and Canterbury'. This reserve should not be utilised to offset a reduction of funding elsewhere other than for activity consistent with this stated purpose.

It is expected untagged operational reserves will be fully expended across the period FY20/21, FY21/22 and FY22/23.

CNZHL does not hold sufficient reserves to cover full liability in the event of an unforeseen wind-up of the entity. In this circumstance, this liability would transfer to the shareholder.

## **Distributions**

### **Organisational activity is not for Private Pecuniary Profit.**

None of the capital or income of the group shall be paid or transferred directly or indirectly by way of dividend, distribution or otherwise for the private pecuniary profit of any individual. This does not prevent the payment in good faith of reasonable remuneration to any directors or employees of the group, to any other person for services rendered to group in the furtherance of the objectives of the group.

## **Acquisition/Divestment Procedures**

The subscription or acquisition of securities in any company or organisation, or a divestment of part of the parent will only be considered where it is consistent with the long-term objectives of the shareholder.

When the subscription, acquisition or divestment is considered by directors to be significant to the group's business operations, it will be subject to consultation with the shareholder (CCC). Major transactions as defined in the Companies Act 1993, s 129(2) will be subject to shareholders' approval by special resolution.

Any residual investments from the amalgamated subsidiary entity CRIS Ltd, which was an investment vehicle, will be divested consistent with the direction of the Board.

## **Information to be provided to Shareholders**

CNZ Holdings and its subsidiary will provide information requested by the shareholder in accordance with the requirements of the Local Government Act 2002. CNZ Holdings will disclose as much information on its operations as is practical and consistent with commercial and confidentiality considerations under the covenants of its Statement of Intent with CCC and third-party contractual obligations.

CNZ Holdings and its subsidiary will operate on a "no surprises" basis in respect of significant shareholder-related matters, to the extent possible in the context of commercial sensitivity and confidentiality obligations.

As a minimum, shareholder reporting will involve:

1. Annual report and audited financial statements within 90 days of balance date, including reporting against FMA corporate governance principles
2. Annual Report against outcome and performance measures
3. Contribution to CCC Annual and Long-Term Plan preparation and reporting processes
4. A quarterly report including a financial and activity update and information on the health and safety practices, current operational risks that may impact the shareholder and performance of the organisation
5. Half year financial position by the 28 February each year

## **Compensation from Local Authority**

CNZ Holdings expects to receive funding from CCC of \$10.389m for the financial year beginning 1 July 2020.

The activity undertaken in exchange for the compensation is set out in the CCC three-year Long-Term Plan, as per the Levels of Service and the outcomes in this SOI.

ChristchurchNZ Ltd expects to receive additional income from some other local authorities for the delivery of some services relating to District Tourism Offices. These are handled by way of contracts for service.

## **Role in the CCC Group and Regional Economy**

### **Commercial relationships within the CCC Group**

Wherever possible, CNZ Holdings and its subsidiary will work with other group companies to benefit the CCC Group, Greater Christchurch and the Canterbury region.

### **Role in the regional economy**

As part of its role for the city and region, CNZ Holdings and its subsidiary will work proactively with other organisations including regional EDAs and RTOs, the Canterbury Mayoral Forum, the Greater Christchurch Partnership and the CCC Group to drive regional economic growth. CNZ Holdings recognises the close interdependency between the region's rural economy and the economic strength of Christchurch.

Whilst the primary focus of ChristchurchNZ is the boundary of Christchurch City Council - our sole shareholder and primary funder - the interdependency of the South Island, Canterbury, Greater Christchurch and Christchurch economies is such that a regional focus is important. As the South Island's largest economic development agency, ChristchurchNZ is well-placed to offer services and expertise where the activity aligns with our mission, purpose and strategic priorities.

## Other Matters Requiring the Approval of the Shareholder

CNZ Holdings and its subsidiary will bring to the attention of the shareholders: Any matters of critical concern, or significant public interest; Major transactions as defined in the Companies Act.

### Attestation



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Chairperson (Dr Therese Arseneau)

Signed for and on behalf of the ChristchurchNZ Holdings Board of Directors

(common Board ChristchurchNZ Ltd)

# Appendix One: Christchurch City Narrative

## Christchurch City of Opportunity

Exploration is part of who we are; it is part of what has shaped us.

We are hardwired to challenge the status quo, to imagine, explore and discover what's next.

Christchurch is a city founded on that spirit; our history was built on it.

And our future will be created by it.

**For the people of our city** the opportunity is to:

Explore new ways of living, connected communities, work life balance and a city of new and old surrounded by nature.

**For our visitors** the opportunity is to:

Explore new horizons, a vibrant city of contrast, ancient landscapes, our amazing backyard from the mountains to the sea.

**For investors** the opportunity is to:

Explore fresh thinking, the not yet known, the intersection of creativity and commerce.

Prototype and explore ideas at a civic scale in our test-bed city.

**For all of us Christchurch is about exploring new opportunities:**

Between people and people, between people and place, between people and new ideas, which will shape what's next, between our past, present and future.

Narrative by Audience

**Residents: "The spirit of exploration has shaped who we are as a people."**

Life is good here. We have a lively culture and we're surrounded by nature, both within our active city and in the rugged landscapes beyond the city centre. Our spirit of exploration helps us connect to our ancestral past, find balance in how we get the most from life in the present and grow our future through new ways and ideas that benefit our people and place.

**Visitors: "Explore New Zealand, start in Christchurch. A vibrant place of contrast."**

I'm drawn to the creativity of this progressive city. There are opportunities to explore the rich cultural history and new ideas developing alongside Christchurch's peaceful green spaces, as it both rediscovers its past and invents its future at the same time. Beyond, the breath-taking landscapes of the Port Hills and Banks Peninsula beckon to exploring more experiences further afield.

**Business: “Doing business in Christchurch is an opportunity to grow by exploring ideas that have future impact.”**

Christchurch has an environment which supports and grows innovation for the benefit of the region and country. The city is home to a highly collaborative business community and a critical mass of innovation assets that support and enable innovation and commercialisation to benefit the region and country. A strong education sector that connects like minds and adds to a future focused workforce.

It’s a city where I can explore new ideas, develop new solutions and ways of working. Christchurch provides opportunities for meaningful work, while enjoying a balanced life.

**International Education: “Studying in Christchurch is an opportunity to explore new thinking and new horizons.”**

Christchurch is inventing its own future, as I explore mine. There is a strong education and research community that connects like minds and adds to a future focused workforce. It’s an energetic and vibrant city where I can explore new ideas and ways of working, find opportunities for meaningful work, while enjoying a balanced life. Beyond, the breath-taking landscapes of the Port Hills and Banks Peninsula beckon to exploring more experiences further afield.

**Investors: “The opportunity Christchurch gives us is to explore our ideas at a city scale.”**

Christchurch is a city on the cusp of a new era. There’s an existing culture of collaboration and open-mindedness at governance level, as well as an established support structure for innovation and growth. The city’s population of people are grounded in optimism and practicality. There is an opportunity to test out ground-breaking ideas at a city-wide scale, in one of the most open, safe and accessible countries in the world.



## Appendix Two: Summary Financials

CNZ Holdings 2020-21  
Summary Financials  
\$000's

	2020/21	
Council Funding	10,768	78.4%
Other Revenue	2,973	21.6%
<b>Total Income</b>	<b>13,741</b>	
<b>Expenditure</b>		
Project and Service Delivery	13,681	82.1%
Administration & Occupancy	2,452	14.7%
Depreciation & Impairment	530	3.2%
<b>Total Expenditure</b>	<b>16,663</b>	
Other Non operating		
<b>Surplus Before Tax</b>	<b>(2,922)</b>	
Tax expense	0	
<b>Total Comprehensive Income</b>	<b>(2,922)</b>	
Movement From Reserves	1,079	
<b>Net Movement in Retained Earnings</b>	<b>(1,843)</b>	

Planned Project & Service Delivery	Project & Service Delivery *	Actual	Budget	% Spend	
		\$000's		Actual	Budget
	Commerical Services		427		3.1%
	Destination & Attraction		3,931		28.7%
	Marketing & Promotion		3,316		24.2%
	Business Innovation & Growth		3,091		22.6%
	Strategic Planning & Policy Research		835		6.1%
	Shared Services		2,081		15.2%
	<b>Total Project &amp; Service Delivery</b>	<b>0</b>	<b>13,681</b>	<b>0.0%</b>	<b>100.0%</b>

\* Overhead costs eg.occupancy, depreciation, are excluded from this breakdown