

Reference: 20220465

8 November 2022

Dear [REDACTED]

Thank you for your Official Information Act request, received on 31 October 2022. You requested:

Just wondering if you can inform us who instigated the original redaction in Minister Clark-s LOE as per below question.

Is it also possible we could receive an email copy of the original unredacted version of the LOE?

Information being released

Please find enclosed the following document:

Date	Document Description	Decision
21 December 2021	2022/23 Owner Expectations for Christchurch International Airport	Release in Part

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

- personal contact details of officials, under section 9(2)(a) – to protect the privacy of natural persons, including that of deceased natural persons, and
- direct dial phone numbers of officials, under section 9(2)(k) – to prevent the disclosure of information for improper gain or improper advantage.

Direct dial phone numbers of officials have been redacted under section 9(2)(k) in order to reduce the possibility of staff being exposed to phishing and other scams. This is because information released under the OIA may end up in the public domain, for example, on websites including Treasury's website.

The recommendation to withhold the material relating to Tarras Airport was made by the Treasury as part of its proactive release of Letters of Expectations for a number of companies. The Treasury consulted with and considered the views of these companies, including the Christchurch International Airport Limited, as part of preparing the proactive release.

In view of your interest, the Treasury has further considered the redaction related to the proposed Tarras Airport, including consulting with Christchurch International Airport Limited.

I have decided to release the information. In making this decision, I have considered the public interest considerations in section 9(1) of the Official Information Act.

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

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

Yours sincerely

Ann Webster
Manager, Commercial and Institutional Performance, Infrastructure

OIA 20220465

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Hon Dr David Clark

MP for Dunedin

Minister of Commerce and Consumer Affairs

Minister for the Digital Economy and Communications

Minister for State Owned Enterprises

Minister of Statistics

Minister Responsible for the Earthquake Commission



21.12.2021

Ms Catherine Drayton
Chair
Christchurch International Airport Ltd

s9(2)(a)

Dear Ms Drayton

2022/23 OWNER EXPECTATIONS FOR CHRISTCHURCH INTERNATIONAL AIRPORT LTD

I am writing to outline the matters that we expect your board to address in the 2022/23 business planning round and work programme.

Government priorities and the response to COVID-19

The Government has three goals for its term: to keep New Zealanders safe from COVID-19, to accelerate the recovery and rebuild; and to tackle foundational challenges.

The response to COVID-19 remains of central importance in the coming year. Investing in critical infrastructure and public services will be important to our economic recovery, along with a focus on renewable energy, waste reduction, sustainability and pursuing carbon neutrality.

Crown-owned companies and entities through their operations play an important role in supporting the response to COVID-19 and the social and economic recovery. Responsible management of assets and finances, including careful control of debt, capex and investments are part of the contribution Christchurch International Airport Ltd (CIAL) makes to the Government's goals.

We wish you every success with your endeavours in the coming year and thank you for your contribution to laying the foundations for a more sustainable and equitable future.

This letter contains the following information:

- Ministers' specific expectations for CIAL;
- general governance expectations (**Annex 1**);
- timeline for the 2022/23 business planning process and governance information (**Annex 2**).

Entity-specific expectations

Long Term Fiscal Sustainability

Considering the continued uncertainty of aviation industry, we expect the Board to make prudent long-term fiscal decisions to achieve CIAL's strategy. Should the recovery of the

aviation industry be quicker than anticipated, we expect the Board to give proper consideration to returning any surplus funds through a dividend process.

Significant Investment Projects

We acknowledge CIAL's decision to invest in establishing an international airport in Central Otago and a solar-energy focused renewable energy precinct at Christchurch International Airport in cooperation with Australian renewable energy investment fund Solar Bay.

We note that there is significant pushback from Central Otago communities around the proposed Tarras airport even with the community consultations that CIAL has carried out.

We reconfirm our expectation that CIAL not only makes financially prudent decisions with regard to these significant proposals, but upholds its social licence as an important New Zealand's entity by continuing to work closely and engage with the community and stakeholders giving sufficient consideration to the issues raised during consultations.

We expect that CIAL continues to comply with their principal objectives as a Council Controlled Organisation such as exhibiting a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

General governance expectations

We regard strong board governance as critical to the performance and success of the Crown's companies and entities. The [Owner's Expectations](#) sets out Ministers' expectations on matters for board oversight such as information-sharing and engagement with the Treasury, board evaluations, thresholds for consultation or approvals for significant investments, commercial valuations, capital structure and dividends, and timeframes for reporting and business planning documents.

Further general expectations you are asked to consider are set out in **Annex 1**.

Further information

Your Treasury relationship managers will be in contact shortly after you receive this letter to discuss Ministers' expectations in more detail. If you have any questions, please contact Maruta Kanepa (on s9(2)(k) [redacted]). Alternatively, you can contact Maureena van der Lem, Manager, Commercial Performance (on s9(2)(k) [redacted]).

Yours sincerely



Hon Dr David Clark
Minister for State Owned Enterprises
on behalf of shareholding Ministers

cc Mr Malcolm Johns, CEO, CIAL, s9(2)(a) [redacted]
Mr Paul Munro, CEO, Christchurch City Holdings Ltd, s9(2)(a) [redacted]

Annex 1

General Governance Expectations

Enduring letter of expectations

Ministers expect all boards to be cognisant of the Government's 2019 [Enduring letter of expectations](#) to all statutory Crown entities, which asks that boards and their agencies

- Support a unified value-based government for all New Zealanders;
- Support future-focussed Māori Crown relations; and
- Contribute to improving wellbeing.

Work force Policy Statement and Public Service Pay Gap Action Plan

The [Government Workforce Policy Statement](#) (Workforce Policy) sets out the Government's expectations about public sector agencies management of employment relations, including of statutory entities and Crown entity companies. This policy also emphasises the importance of pay restraint in the COVID-19 environment and the fiscal context of the Government.

Consistent with the Government's support for diversity, gender balance and wider ethnicity on boards, boards are encouraged to support diversity and inclusion in the workplace and in leadership teams. On 15 November 2021, the Government launched The [Public Service Pay Gap Action Plan](#) (Action Plan), which aims to help close pay gaps and create fairer workplaces for all employees.

You and your board are encouraged to consider the relevance of the Workforce Policy and the *Public Service Pay Gap Action Plan* for CIAL.

Wellbeing approach and Carbon Neutral Government Programme

The Government's wellbeing approach is based on the [Treasury's Living Standards Framework](#), which considers a broad range of impacts over 12 domains for our individual and collective wellbeing, our institutions and governance, and the wealth of Aotearoa New Zealand, now and into the future. Boards should consider and reflect the broader impact of their decisions and initiatives in planning and performance reporting.

In pursuit of our carbon reduction ambitions, the Carbon Neutral Government Programme (CNGP) has been set up to accelerate the reduction of emissions within the public sector. We encourage CIAL to support the Government by joining with businesses and communities already leading the way to reducing their emissions.

Board evaluations and strengthening the director pipeline

Board evaluations help boards to improve performance and should take place annually (subject to the exceptions in the [Owner's Expectations](#)) and ideally be conducted by an independent evaluator.

Along with skills matrices, evaluations contribute to the Treasury's advice to Ministers on board composition and so should be shared with the Treasury.

In addition, we have a general expectation that you will engage a 'Future Director' as an observer of the board, where possible, to grow the pipeline of new and diverse director talent.

Senior Executive Remuneration

Within the overall context of public sector pay restraint, Ministers expect that boards will ensure that senior management remuneration is appropriately linked to performance and set at a level sufficient to attract and retain the necessary skills within the executive to enable Crown companies and entities to operate successfully.

Boards of SOEs, and Schedule 4A and Crown entity companies have separately received Ministers' April 2021 expectation that disclosure in annual reports meets the NZX Corporate Governance Code, most notably recommendation 5.3. If disclosure to this standard is not possible, the annual report is expected to explain why this is the case.

Annex 2

Timetable for the Business Planning Process for 2022/23

Table 1: Summary timetable for the Business Planning Process

<i>Due by</i>	<i>Key Action</i>
January / February	The Treasury to discuss the Letter of Expectations with the Chair
28 February	Board sends Strategic Issues letter to Ministers
29 April	Board submits draft Statement of Intent (SOI)
30 June	Board delivers final SOI to shareholding Ministers
As soon as practicable after delivery of the final SOI to Ministers	Company to publish SOI on its website

All entities are expected to provide shareholding Ministers with a **Strategic Issues letter**, by **28 February 2022** in response to the Letter of Expectations. Should your company wish to engage with shareholding Ministers to seek clarification around their expectations, we would ask that you advise the Treasury as early as possible of such intentions.

Entities are expected to provide shareholding Ministers with a draft SCI and Business Plan, consistent with the expectations as detailed in this letter, by no later than **29 April 2022**.

The final SCI should be delivered to shareholding Ministers on or before **30 June 2022**.

Shareholding Ministers should be alerted as soon as possible if any of these deadlines cannot be met.

Further information is available in the [Owner's Expectations](#).