

15 May 2024

Resignation of four independent directors from Christchurch City Holdings Ltd

Four independent directors of CCHL today said it was with sadness, disappointment, and regret that they have tendered their resignations from the CCHL Board.

Independent directors Chris Day, Abby Foote (Chair), Martin Goldfinch, and David Hunt said despite the very best of intentions and considerable effort, the relationship between the CCHL Board and the Council had broken down.

“We respect and support the right of Council to make decisions around CCHL and its group of infrastructure businesses. This includes the Council's decision not to accept the CCHL Board's recommendation in December 2023 to move to an active portfolio management model to support investment in the region's infrastructure, reduce debt levels and grow dividends,” they said.

“We agreed to instead work to lift dividends as far as possible within the current CCHL mandate, recognising Council's view that there would be no more capital for the group in the form of either debt or equity.

“However, Council has since made requests for dividends which we see as being beyond the ability of CCHL's infrastructure businesses to sustainably provide. Delivering these dividends may well also require further borrowing – and an assumption that future councils will accept lower dividends – both of which we regard as posing risks for the CCHL Group.”

In light of these issues, the four independent directors have today tendered their resignations, effective immediately.

No further comment will be provided.