

## INTRODUCTION

A Council Controlled Organisation (CCO) is a company or organisation in which a Council or Councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers. The Whakatane District Council is a shareholder in three CCOs including the Whakatane Airport, Toi Economic Development Agency (Toi EDA) and the Bay of Plenty Local Authority Shared Services Limited (BOPLASS Ltd).

The following pages summarise the information required under the Local Government Act 2002 relating to CCOs.

## WHAKATANE AIRPORT

### ABOUT THIS CCO

The Whakatane Airport is a council-controlled trading organisation (CCTO) under the Local Government Act 2002. The airport is seen as a valued community asset, which contributes to residents' quality of life and it is considered crucial to the economic well-being of the district.

The primary objective of the airport is to provide goods or services for the community. It makes a social contribution rather than a financial return. Accordingly, the airport is designated as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

### SHAREHOLDERS

The airport is a joint venture operation between the New Zealand Government (Ministry of Transport) and the Whakatane District Council with each party owning a 50% share. Responsibility for the level of maintenance and operation of the airport rests with the Whakatane District Council.

### POLICIES AND OBJECTIVES IN REGARD TO OWNERSHIP AND CONTROL

To promote a safe, accessible, affordable and reliable air transport system for the benefit of the economic and social development of the Eastern Bay of Plenty region.

To ensure the facility is maintained at its present level and increased wherever practicable and economic.

To ensure that the airport is administered efficiently and effectively to the benefit of scheduled flight operations.

### NATURE AND SCOPE OF ACTIVITIES

**Aviation Services:** The airport is maintained as a non-certified aerodrome in accordance with the Civil Aviation Authority Aerodrome design for aircraft at or below 5700kg MC TOW. Air New Zealand Link provides daily return services to Auckland and Wellington

**Leases:** Land surplus to the airport's present operational requirements is leased for grazing. Areas of the terminal building are leased for activities compatible with the operation of an airport. Lease of airport land is also available to commercial operators and associated industry.

## WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

	Measure	Target 2010/11	
<b>Cost Performance</b>	Operate and maintain the airport's assets within an operational expenditure budget (excluding corporate overheads and depreciation)	Whakatane total budget surplus / (deficit)	\$36,680
		Pavement resurfacing	\$100,000
		Runway lighting and navigational aids renewal	\$8,000
		Airport designations	\$75,000
	<b>Target</b>		
<b>Function Performance</b>	The airport is maintained as a non-certified aerodrome in accordance with Civil Aviation Authority aerodrome design for aircraft at or below 5700 kg MC TOW.		

# TOI ECONOMIC DEVELOPMENT AGENCY (TOI EDA)

## ABOUT TOI EDA

Toi EDA is the Eastern Bay of Plenty Regional Economic Development Agency set up by three territorial authorities (Kawerau, Opotiki and Whakatane) and Te Runanga O Ngati Awa on behalf of the Mataatua Iwi Forum.

The primary objective of the Toi EDA is to make a positive difference to the Eastern Bay of Plenty economy by supporting sustainable business and industry and increasing productivity by focusing on the region’s natural and human resources. Toi EDA provides goods or services for the community of social benefit rather than making a financial return. Accordingly, it is designated as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

## TOI EDA AS AN EXEMPT CCO

On 24 February 2010 the Council resolved that Toi EDA would become an exempt Council Controlled Organisation (CCO) under the Local Government Act 2002. As a CCO, Toi EDA was required by legislation to meet a number of reporting requirements that were considered onerous and expensive in relation to its size. Exemption from these requirements will allow Toi EDA to focus more of its limited resources on economic development. As an exempt CCO the reporting requirements of Toi EDA will be similar to those of other Council activities.

This change will not affect the nature or delivery of the services delivered by Toi EDA.

## TRUSTEES

Toi EDA operates under a Trust Deed. Toi EDA’s trustees are experienced business people and community leaders who play a vital role in leading and guiding the organisation. They bring with them a wealth of experience and skills spanning commercial, finance, governance and business development, as well as entrepreneurial skills.

The Trustees' role is to:

- Provide strategic leadership and oversee strategy.

- Meet and network with key stakeholders.
- Provide advocacy.
- Ensure sustainable economic development.
- Monitor progress.
- Provide governance.
- Generate ideas / foster growth.
- Influence the community and stakeholders.
- Support staff.
- Take positions / prepare submissions on major developments.
- Perform a custodial role over resources.

## SIGNIFICANT POLICIES AND OBJECTIVES IN REGARD TO OWNERSHIP AND CONTROL

- To attract people to work, live and play in the Eastern Bay of Plenty.
- To align Toi-EDA with regional and national economic development activity.
- To encourage alignment with Maori economic development.
- To support and develop industry.
- To align training and education with employment needs.
- To advocate for improved infrastructure and transportation.
- To foster communication with the community and partners.
- To secure and diversify the Toi-EDA funding base.

## NATURE AND SCOPE OF ACTIVITIES

- Develop a co-ordinated marketing strategy.
- Attract more people to visit and live in the region.
- Identify, support and grow events that attract visitors and promote the Eastern Bay of Plenty.
- Advocate for new facilities and event resources.
- Promote conference opportunities.

## WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

	Measure	Target 2010/11
Cost Performance	To attract more people to visit and live in the region by developing and implementing a co-ordinated marketing strategy	\$50,000
	To identify, support and grow events that attract visitors and promote the Eastern Bay of Plenty	\$50,000
	To implement Toi-EDA economic development strategy goals:	\$45,000

# BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES LIMITED (BOP LASS)

## ABOUT THIS CCO

The Whakatane District Council is a one-eighth shareholder in BoP LASS Limited. BoP LASS Limited was formed on October 15, 2007 to support councils that operate within the boundaries of the Bay of Plenty region.

The principal activities of BOP LASS Limited are to investigate, develop and deliver shared back office services and communications where and when that can be done more effectively for any combinations of some or all of the councils.

## GOVERNANCE

BoP LASS Limited will conduct itself in accordance with its constitution, its annual statement of intent agreed with shareholders, the provisions of the Companies Act 1993 and the Local Government Act 2002.

The company is governed by its directors. To ensure total synergy between the companies' activities and its council shareholders' activities, the directors are also the chief executives of their respective council shareholders.

BoP LASS Limited has eight directors appointed by its shareholders. Unless otherwise agreed by the board, each appointee is the current (or acting) chief executive of the council shareholder including:

- Bay of Plenty Regional Council.
- Gisborne District Council.
- Kawerau District Council.
- Opotiki District Council.
- Rotorua District Council.
- Taupo District Council.
- Tauranga City Council.
- Western Bay of Plenty District Council.
- Whakatane District Council.

In addition, the board may appoint up to three professional directors to supplement the directors'/chief executives' expertise.

## POLICIES AND OBJECTIVES IN REGARD TO OWNERSHIP AND CONTROL

The objectives of BoP LASS Limited as stated in its statement of intent are as follows:

Working together with the full support and involvement of staff, we will provide benefit to Councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

- **Joint Procurement:** Being the procurement of services or products by two or more Councils from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating Councils.
- **Shared Services:** Being the participation of two or more Councils in the provision of a common service which may be jointly or severally hosted.

## NATURE AND SCOPE OF ACTIVITIES

The principle nature and scope of the activity of BoP LASS Limited is to:

Use Joint Procurement to add value to goods and services sourced for its constituent Councils.

- Facilitate Shared Services that benefit Councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursue best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, Council contributions, or Government funding where available.
- Allow other Councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.
- Represent the collective views of its shareholders in matters with which it is associated.

## KEY PERFORMANCE TARGETS

**To ensure the company continues to operate effectively in both governance and management terms over the next three years the targets are to:**

- Initiate at least one shared service each year and no less than two shared services successfully implemented within three years;
- Implement Shared Services demonstrating best practice and added value to participating councils and stakeholders;
- Facilitate Joint Procurement of goods and services from sources offering best value, service, and or continuity of supply.
- Communicate with each shareholding council at appropriate levels;
- Partner with other non shareholding Councils and /or organisations to add benefit to the company.
- Ensure sufficient income is available from activities to sustain a viable company.

