

COUNCIL CONTROLLED ORGANISATIONS

This section summarises the information required under the Local Government Act 2002 relating to Council Controlled Organisations (CCOs). A 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 Council Controlled Organisations including the Whakatane Airport, Toi Economic Development Agency (Toi EDA), and the Bay of Plenty Local Authority Shared Services Limited (BOP LASS Ltd).

WHAKATANE AIRPORT

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).

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 Maximum Combined Take Off Weight (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.

Management

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.

Key performance targets and measures

Key performance targets and measures for the airport, as identified in the Airport Statement of Intent include:

Cost performance:

- (a) Operate and maintain the airport's assets within an operational expenditure budget (excluding corporate overheads and depreciation) of:

	2007	2008	2009	2010
Whakatane total budget surplus / (deficit)	\$ 92,000	\$102,000	\$83,758	(\$197,275)
Whakatane total actual surplus / (deficit)	\$43,834	(\$22,317)		

(b) Pavement resurfacing:

2010	2011	2012
\$98,000	\$100,000	\$102,000

(c) Runway lighting and navigational aids renewal:

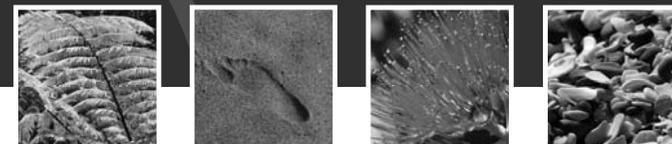
2010	2011	2012
\$8,000	\$8,000	\$8,000

(d) Airport designations:

2010	2011	2012
\$75,000	\$75,000	\$75,000

Function performance:

The airport is maintained as a non-certificated aerodrome in accordance with Civil Aviation Authority aerodrome design for aircraft at or below 5700 kg MC TOW.



TOI EDA

Background

Toi EDA is a Council Controlled Organisation (CCO) under the Local Government Act 2002. 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 or 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).

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 Māori 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.

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 board's 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.

Key performance targets and measures

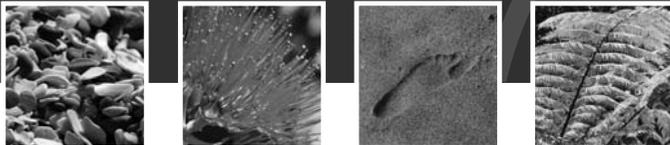
Cost performance:

- (a) To attract more people to visit and live in the region by developing and implementing a co-ordinated marketing strategy:

	2009	2010
To promote points of difference, develop and implement a marketing plan and implement recommendations of the recent perceptions study.	\$ 50,000	\$50,000

- (b) To identify, support and grow events that attract visitors and promote the Eastern Bay of Plenty:

	2009	2010
To implement the strategy developed in conjunction with WDC staff, regular liaison between the 3 councils and with community and sports groups and regional events managers, undertake economic impact analysis, develop marketing activity for each event, maintain events calendar, identify potential new events, attract event businesses, identify funding opportunities and assist community / sports groups with funding applications	\$50,000	\$50,000



(c) To implement Toi-EDA economic development strategy goals:

	2009	2010
<ul style="list-style-type: none"> To attract people to work, live and play in the Eastern Bay of Plenty To align Toi-EDA activity with Bay of Plenty regional and national economic development activity To encourage alignment of Maori economic development activity and Toi-EDA activity 		
<ul style="list-style-type: none"> To support and develop industry 	\$45,000	\$45,000
<ul style="list-style-type: none"> 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. 		

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

Background

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.

Policies and objectives in regard to ownership and control

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

- To provide the local authorities of the Bay of Plenty region with an umbrella vehicle to investigate, procure, develop and deliver shared services. Such services will be initiated under the umbrella of this company where a business case shows that they provide benefit to the (voluntary) council users by either improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

The expected benefits that can be achieved through shared services are:

- Improved levels and quality of service.
- A coordinated and consistent approach to the provision of services.

- Reductions in the cost of support and administrative services.
- Opportunities to develop new initiatives.
- Economies of scale resulting from a single entity representing many councils in procurement.
- These benefits and opportunities can apply to all councils irrespective of location or size.

Nature and scope of activities

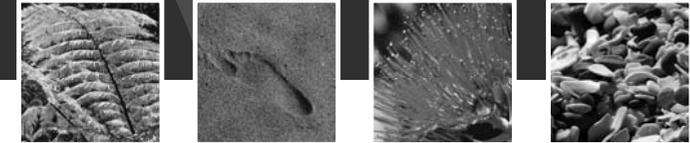
The principle nature and scope of the activity of BoP LASS Limited is to:

- Enable the provision of shared services to any or all local authorities within the Bay of Plenty Region. BoP LASS Limited may also sell “shared” processes and systems as set up under individual agreements to local authorities outside the region.
- Pursue all opportunities to procure shared services that will benefit the community in the widest sense, through enhanced back office services and/or reduced costs for councils.
- Explore all possible avenues to provide these services itself or contract them from outside parties, each depending on a rigorous business case and risk assessment.

BoP LASS Limited will also act as a true regional vehicle to attract government and other funding, if or when it is made available.

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.
- 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.

Key performance targets and measures

Over the next three years, the targets are to:

- Ensure the umbrella company continues to operate effectively in both governance and management terms.
- Maintain operational principles regarding developing and approving shared services.
- Develop and sustain communication lines with each shareholding council at appropriate levels.
- Develop and sustain communication lines with shared service CCOs of neighbouring regions.

- Achieve effective operations of at least five shared services with each service contributing appropriately to the costs of the umbrella vehicle.
- Operate within agreed budgets.
- Maintain positive cash flow.
- Survey customers of active shared services at least annually to measure their satisfaction with the levels and quality of service.
- Survey the directors at least annually to gauge their satisfaction with the:
 - extent and quality of new service investigation and business case development
 - administrative and secretarial support / reporting- operations of Advisory Groups
 - governance and strategic role of the board
 - performance of the Executive Officer of BoP LASS Limited.