

Council-controlled Organisations



Guide to the content of 'Council-controlled Organisations'

The Local Government Act 2002 requires the Council to include in the LTP information on council-controlled organisations, i.e. those organisations over which the Council has a 50 per cent or more shareholding or level of governance control. Information is based on the latest adopted 2018/19 Statements of Intent.

This includes information on the:

- Council's policies and objectives that relate to ownership and control of the organisation.
- Nature and scope of the activities to be provided by the Council-controlled organisations.
- Key performance targets and other measures by which performance may be judged.

The Council is a shareholder or has an ownership interest in the following Council-controlled organisations:

- Papa Rererangi i Puketapu Limited.
- Venture Taranaki Trust.
- New Plymouth PIF Guardians Limited.
- Tasmanian Land Company Limited
- Three forestry joint ventures.

Papa Rererangi i Puketapu Limited

NATURE AND SCOPE OF ACTIVITY

In July 2017, the Council established Papa Rererangi i Puketapu Ltd (PRIP) as a separate Council-controlled trading organisation (CCTO) to manage the full operations of New Plymouth Airport and to oversee a major redevelopment of the Airport's terminal and surrounding infrastructure. The Council still retains ownership of the Airport company, the Aerodrome Operator Certificate and is the sole Shareholder.

The organisation is classed as a semi-commercial investment within the Council's Investment Policy.

PRIP's prime purpose is to operate the Airport on a sustainable commercial basis, to optimise the use of its assets and generate a reasonable return on investment to ensure the ongoing safe and successful operation of the Airport, whilst facilitating tourism and trade by working with the airlines to increase passenger numbers and develop other commercial activity.

The Airport provides services to allow the safe and efficient facilitation of travellers and freight and, ancillary to this, it leases terminal space and land at the Airport.

In the management of the Airport operations, PRIP has the autonomy to set the following charges at the Airport:

- All fees and associated charges in respect to vehicle parking.
- All landing and parking charges from regular passenger transport services.
- All landing and parking charges from general aviation aircraft.
- All revenue from tenant's leases and rents, licences, concession based contracts and lessees outgoings.

The Airport is viewed as an essential infrastructure asset for the district and the Taranaki region and has a key role to play in the economic performance, growth and development of the area. PRIP will work collaboratively with the Council, the Venture Taranaki Trust, the Taranaki Chamber of Commerce and other key stakeholders, ensuring a combined approach to achieve the region's desired strategic goals.

KEY ANNUAL OBJECTIVES AND PERFORMANCE INDICATORS

1. Maintain the Airport facilities to avoid any disruption of scheduled commercial flights other than for weather or airline problems.
2. Meet all the operating, maintenance, capital expenditure and interest costs from Airport revenue.
3. Manage New Plymouth Airport in full compliance with the approved operating procedures of the Civil Aviation Authority Rule Part 139.
4. Complete the Airport terminal redevelopment project and have the new building operational by the end of 2019.

SIGNIFICANT POLICIES AND OBJECTIVES ON OWNERSHIP AND CONTROL

PRIP operates as a standalone company governed by an independent skills-based Board of four Directors, including a Chairperson, and employs its own Chief Executive and staff. All Airport operations and assets are managed by the PRIP Chief Executive who has overall responsibility for implementing the company's strategic direction and reports to the company's Board of Directors. In addition to the appointed Board of Directors, the Shareholder may nominate an advisor who will attend, as an observer, Board meetings. This is currently the Council's Chief Operating Officer who will ensure strong communications and alignment between the Council and PRIP.

Venture Taranaki Trust

NATURE AND SCOPE OF ACTIVITY

Venture Taranaki Trust (Venture Taranaki) is a Council-controlled Organisation whose Board of Trustees is appointed by the council. Venture Taranaki is the economic development agency for the Council, responsible for delivering the Council's active economic development initiatives as set out in its statement of intent. Its vision is: "Taranaki – the envy of New Zealand for sustainable business, talent, investment and lifestyle".

Venture Taranaki's objectives are to:

- Provide leadership and support for the development and implementation of local, regional and national strategies for the creation of a vibrant and prosperous New Plymouth District economy and Taranaki regional economy.
- Facilitate, promote, encourage and support sustainable business growth, investment and employment opportunities in New Plymouth District and the Taranaki region.
- Support and recognise the district's commercial enterprises, large and small, mature or start-up to establish, flourish and prosper.

The nature and scope of Venture Taranaki activities for the present and future members of the community resident in the Taranaki region include:

- a) Facilitating sustainable employment opportunities in the Taranaki region.
- b) Facilitating sustainable economic benefits for the Taranaki region.
- c) Facilitating or providing educational training courses, presentations and other learning experiences.
- d) Researching, acquiring and updating information about the Taranaki region.
- e) Promoting the Taranaki Area as a desirable region in which to establish a business, live, work and visit.
- f) Supporting projects beneficial to the Taranaki region.

KEY ANNUAL OBJECTIVES AND PERFORMANCE INDICATORS

1. Maintain a regional economic intelligence unit and publish bi-annually Taranaki Trends and Business survey.
2. Undertake one Team Taranaki submission on key regional issues.
3. Maintain connections across www.taranaki.info and social media channels.
4. Facilitate \$1,000,000 investment into regional businesses subject to central government policy.
5. Achieve >85 per cent client satisfaction in regard to business support services.
6. Support three key projects with high impact potential aligned with the regional growth agenda.
7. Invest \$240,000 in management capability building for Taranaki SME's subject to central government policy.
8. Attract or retain four major events meeting New Plymouth District Council criteria (>100 points) based on \$700,000 event fund.
9. Produce and distribute a minimum of six pieces of regional collateral to inspire the communities of Taranaki, visiting conferences, events and leisure travellers to explore and enjoy the many aspects of the region.

SIGNIFICANT POLICIES AND OBJECTIVES ON OWNERSHIP AND CONTROL

The Council controls the Venture Taranaki Trust by appointing its trustees. This is to ensure the necessary independence, public credibility and specialised governance that the trust needs in order to be effective in delivering economic development programmes, while retaining accountability to the district's community.

New Plymouth PIF Guardians Limited

NATURE AND SCOPE OF ACTIVITY

New Plymouth PIF Guardians Limited (NPG) is a 100 per cent Council-owned company with an independent board of directors. NPG was formally Taranaki Investment Management Limited and changed its name during 2017 when the Council resolved to change the organisational architecture for the management of the Perpetual Investment Fund (PIF) and move to a full outsourced model. The board of NPG appointed Mercer New Zealand Limited (Mercer) to manage the PIF.

KEY ANNUAL OBJECTIVES AND PERFORMANCE INDICATORS

A Governance Deed was entered into between the Council and NPG on 1 March 2017 and sets out the objectives for the management of the PIF:

1. To at least maintain the real capital of the PIF as a sustainable perpetual investment fund in the long term (the Founding Principle) whilst generating a sufficient return to maintain a sustainable release to the Council; and
2. To ensure that the following principles underpin the operation of the PIF:
 - a) All investments are made on purely commercial terms.
 - b) The PIF will be managed on the basis of a prudent, commercial, diversified portfolio investment style and asset allocation, which manages risk to further the Founding Principle.

SIGNIFICANT POLICIES AND OBJECTIVES ON OWNERSHIP AND CONTROL

The performance of Mercer will be monitored and reviewed by NPG, a Council-controlled operation with a board of highly experienced directors.

Tasmanian Land Company Limited

NATURE AND SCOPE OF ACTIVITY

New Plymouth District Council is a 100 per cent shareholder in Tasmanian Land Company Limited (TLC). TLC owned 100 per cent of Tasman Farms Limited and its subsidiary The Van Diemen's Land Company (VDL).

KEY ANNUAL OBJECTIVES AND PERFORMANCE INDICATORS

Following the sale of the farming operations in 2016, TLC is no longer trading and in the process of being wound up.

SIGNIFICANT POLICIES AND OBJECTIVES ON OWNERSHIP AND CONTROL

This investment forms part of the Council's Investment Policy.

Forestry Joint Ventures

NATURE AND SCOPE OF ACTIVITY

The Council has three joint venture forestry developments that have varying levels of Council ownership (55 to 60 per cent) and are therefore deemed to be Council-controlled Organisations. For convenience they are covered by one combined statement of intent. The woodlots will complement the harvest regime of the Council's own forestry investment activities.

Forest plantations have been established under the following agreements:

- Tarata Ngatimaru Pukehou Joint Venture (60 per cent) – 6.8 ha.
- McKay Family Joint Venture (56.5 per cent) – 83.5 ha.
- Duthie Joint Venture (54.82 per cent) – 22.7 ha.

A total of 113 ha of forests are managed under joint venture agreements in which the landowner provides land and property related inputs, the Council provides management and tending programmes for the crop, and both parties share the returns from the forest harvest on an agreed ratio of respective inputs.

The Council's longer term objective for these investments is to review its involvement after each joint venture is harvested.

KEY ANNUAL OBJECTIVES AND PERFORMANCE INDICATORS

1. Complete all programmes outlined in the Forest Management Plans and Agreements.
2. Report annually in compliance with agreements.

SIGNIFICANT POLICIES AND OBJECTIVES ON OWNERSHIP AND CONTROL

These joint ventures were originally set up to augment the harvest rotation for council-owned forestry. The Council will currently retain the joint ventures to harvest and then review its future position. There are no formal board structures.