

# Council Controlled Organisations

## General Purpose of Council Controlled Organisations

Council controlled organisations (CCOs) or Council controlled trading organisations (CCTOs) are defined as essentially any company with a majority council shareholding, or any trust or similar organisation with a majority of council-controlled votes or council-appointed trustees, unless designated otherwise (Source: Wikipedia).

The purpose of a CCO or CCTO can vary widely, but they are generally established to assist in achieving the objectives of the City Vision.

## Palmerston North City Council CCTO and CCOs

Palmerston North City Council has established the following council controlled organisations, all of which are consolidated into the Group accounts as per FRS 37 requirements:

- Palmerston North Airport Limited (CCTO)
- Arena Manawatu
- Caccia Birch Trust
- Globe Theatre Trust
- Palmerston North City Environmental Trust
- Palmerston North Performing Arts Trust
- Regent Theatre Trust
- Te Manawa Museums Trust

Each organisation operates under separate identities, and is governed by a Board separate to Council. Operational grants and, capital grants where applicable, are provided to the CCOs by the Council.

These CCOs sit within two of the six Palmerston North City Council Outcomes: An Active Community, and An Effective and Responsible Council.

Two of these CCO's, Palmerston North Environmental Trust and Palmerston North Performing Arts Trust are exempt CCO's. This status, which is reviewed on a regular basis, exempts the entities from the reporting requirements of Local Government Act 2002, Schedule 10. Consequently, they are not reported in this section of the Annual Report.

## Measurement of Progress towards Objectives

Council's key goals and objectives for the Outcomes are measured through key performance indicators (KPIs). Performance of each of the CCOs is also measured through KPIs to ensure that Council's significant goals and objectives in regard to ownership of the CCOs have been implemented or attained during the year.

## CCO Report

This report provides details of the structure, objectives, activities and performance of each of the CCOs listed above.

# Palmerston North Airport Limited

## Structure

Palmerston North Airport Limited is the only Council controlled trading organisation, and is a public limited liability company incorporated and registered under the Companies Act 1993. Council's interest represents 86.5% of the issued capital (83.2% of paid-up capital). Palmerston North Airport Limited owns and operates Palmerston North International Airport, and has an interest in FreightGate Limited, a wholly owned subsidiary company that may be used for the management of non-operational property.

## Objectives

The Company's vision is for Palmerston North International Airport to be "The Airport City for Central New Zealand". Its main goals to achieve this are:

- To be the principal central New Zealand passenger and freight hub.
- To service international flights with a focus on trans-Tasman and the Pacific.
- To lead Manawatu regional economic development.

## Activities

The principal activities are to provide airport facilities and services to airlines and airport users (both commercial and non-commercial) through the ownership and operation of Palmerston North International Airport. It aims to provide quality services to its customers, and work to maximise the returns of shareholders' funds and company assets. Specific projects will include improved roading access to the terminal and to potential industrial sites, and land purchase to enable future development.

## Performance Analysis

Overall, PNAL has delivered its activities in accordance with its target KPI's.

KPI	Target	Actual
Achieve a ratio of net surplus (before interest, tax and revaluations) to total assets	7%	8.1%
Achieve a ratio of net surplus (after interest and tax) to consolidated shareholders' funds	6%	6.5%
Maintain interest coverage ratio of net surplus (before interest and tax) to interest	≥ 2.2	3.76
Achieve customer satisfaction, periodically measured by customer survey (last measured December 2005).	≥ 90%	93% very or quite satisfied

# Arena Manawatu

## Structure

Arena Manawatu is governed by the Board of Arena Manawatu, which was originally set up as the Palmerston North Showgrounds Board of Control. This entity is a body corporate established by the Palmerston North Showgrounds Act 1974.

The Board is responsible for managing the Arena Manawatu complex in a manner that optimises utilisation of the venues for multi-sport recreation and leisure use by the communities of Palmerston North and the wider Manawatu region. The Council is the major provider of capital development funding.

## Objectives

The key objectives for Arena Manawatu are:

- To carry out asset renewal and new development programmes for the venue and facilities in partnership with stakeholders and private enterprises.
- To coordinate regional community sport, recreation and leisure activities as the major uses of the venue.
- To maximise commercial opportunities through sport, leisure and entertainment events.
- To provide the highest service standards in sport and leisure facilities and event management.

## Activities

Arena Manawatu is the premier sports and recreation facility serving Palmerston North and the wider Manawatu region. The complex provides both indoor and outdoor sports arenas serving the needs of a diverse range of sports including rugby, speedway, netball, basketball, roller-skating, indoor hockey and a host of others.

Overall revenues from rentals, sales and events fund approximately 50% of operational costs, the balance being met by Council grants and subsidies.

## Performance Analysis

Arena Manawatu has delivered on income and community use targets, but major events are below the target.

KPI (by 2008)	Target	Actual
Achieve annual income (excluding subsidies)	\$1.25m	\$1.90m
Community use of the venues meets or exceeds minimum hours per annum	18,000 hrs	22,157hrs
Major events use of the venues meets or exceeds minimum hours per annum	6,500 hrs	4,579hrs

# Caccia Birch Trust Board

## Structure

The governing body, Caccia Birch Trust Board, is a Charitable Trust registered under the Charitable Trusts Act. The Council is the owner of the facility and the principal funder of the Caccia Birch House.

## Objectives

The key objectives for Caccia Birch are:

- To protect, conserve and preserve the special character of Caccia Birch House & Coach House as Historic Heritage Buildings.
- To be fiscally prudent.
- To maximise public use and enjoyment of the house, coach house, and gardens.
- To ensure the facilities offered by the Trust meets or exceeds the expectations of users.

## Activities

Caccia Birch Trust Board was established to control, develop, promote, enhance and maintain the Caccia Birch House property so that it may be utilised and enjoyed by the residents of the Manawatu Community.

Council's key purpose for owning the Property is for the protection, conservation, and preservation of Caccia Birch House and Coach House as historic heritage buildings, enabling the community and subsequent generations to enjoy its special character.

## Performance Analysis

Overall, Caccia Birch Trust Board has delivered its activities in accordance with its KPIs.

KPI	Target	Actual
Ensure interior, exterior and gardens are maintained to a high standard through implementation of asset management plans.	High standard	Excellent Condition
Ensure the Trust Board's business operation of providing function and conference facilities are self-funding	Self-funding	Achieved
Host at least one public event each year	1	6
Achieve a minimum occupancy rate	68%	72%

# Globe Theatre Trust

## Structure

The Globe Theatre Trust is the governing body of the facility, and was established in 2002. The Council is the owner of the facility and the principal funder of the Globe Theatre.

## Objectives

The key objectives for Globe Theatre are:

- To maintain a community focus for the Theatre, reflecting the needs of Palmerston North residents.
- To be fiscally prudent.
- To maintain standards equal or better than best industry practice.
- To recognise the special relationship that exists with the Manawatu Theatre Society through their historical, financial and operational association with the Theatre.

In addition, the Globe Theatre aims to

- Ensure accessibility both physically and financially.
- Foster a sense of community.
- Encourage youth.
- Assist amateurs.
- Promote participation.

## Activities

The primary focus of the Globe Theatre is to provide a community theatre where individuals and groups are able to put on their own performances at an affordable price.

## Performance Analysis

Overall, the Globe Theatre Trust has delivered most of its activities in accordance with its target KPIs; the exception being a slightly lower number of performance nights than target.

KPI	Target	Actual
Achieve 110 performance nights per year.	110	95
Achieve 160 usage nights per year.	160	173
Achieve a 70:30 mix of amateur/professional usage.	70:30	Dominated by amateur
Meet all financial commitments as and when due.	Meet commitments	Achieved
Ensure operational procedures reflect current industry standard.	Current standard	Achieved
Maintain a functional working partnership with Manawatu Theatre Society that meets the needs of both parties.	Partnership maintained	Memo of understanding maintained

# Regent Theatre Trust Board

## Structure

The governing body, Regent Theatre Trust Board, is an Incorporated Society under the Charitable Trusts Act. The Council is the owner of the Regent Theatre and provides an operational grant.

## Objectives

The Trust Board's key objectives are to control, promote and enhance the Regent Theatre so that it may be utilised and enjoyed by the community. In meeting these objectives, it aims to:

- Contribute to the achievement of the City Vision by making Palmerston North an exciting place in which we live.
- Maintain and encourage local community usage of the Theatre.
- Optimise revenue earning opportunities.

## Activities

The Regent Theatre is the City's main civic auditorium, the regional centre for performing arts and one of the City's heritage 'jewels'. Its principal activities are to provide an opportunity to Palmerston North and the wider community to experience the Theatre and all aspects of the performing arts.

## Performance Analysis

The Regent Theatre Trust Board has delivered well above the number of national/international shows, and has an exceptionally high customer satisfaction rating. The targets for audience members and number of live nights were not quite achieved.

KPI	Target	Actual
Attract audience numbers of not less than 110,000 per year.	110,000	97,158
Achieve a minimum of 180 live nights per year.	180	153
Achieve a satisfaction rating of 90% in the annual community survey completed by Council.	90%	97%
Achieve a minimum of 5 National/International shows per year.	5	50

# Te Manawa Museums Trust

## Structure

Te Manawa is governed by the Te Manawa Museums Trust. The Trust Board was established to govern, control, develop, promote and enhance, and maintain the institution so that it may be utilised and enjoyed by the residents of the Manawatu particularly, and visitors to the region. The Council is the owner of the facility and the principal funder of the Te Manawa.

## Objectives

The key objectives for Te Manawa are:

- To provide innovative learning and recreation opportunities that challenge the community perception of museums, art, science and heritage.
- To maintain visitor numbers through challenging, informative and exciting exhibitions and programmes.
- To care for the region's heritage through collections and preservation, built on a foundation of scholarship.
- To optimise revenue earning opportunities.

## Activities

Te Manawa is an acknowledged community asset that provides an exciting and challenging lifelong learning, interactive and recreational experiences in art, science and heritage. The Science Centre, Museum and Art Gallery provide services to education, interactive science, natural history, cultural heritage and visual arts and maintains accessible collections to enrich the community and encourage visitors to the City.

## Performance Analysis

Overall, Te Manawa Museums Trust Board has delivered its activities in accordance with its target KPIs.

KPI	Target	Actual
Provide worthwhile visitor experiences which attract a minimum of 100,000 visitors per annum.	105,000	107,295
Provide worthwhile visitor experiences that meet the expectation of residents as indicated by the annual Palmerston North City Council Community Survey, with satisfaction ratings of 90% or better as 'very good or good.	90%	92%
Provide exhibitions of art, science and heritage that open to schedule for each 6-month period.	Opened to schedule	32 Opened to Schedule
Provide educational services that attract a minimum of 120 schools per annum.	120	120

