

9. Council-Controlled Organisations

A Council Controlled Organisation (CCO) is defined as:

- (a) a company –
- (i) in which equity securities carrying 50% or more of the voting rights at a meeting of the shareholders of the company are –
- (A) held by 1 or more local authorities; or
- (B) controlled, directly or indirectly, by 1 or more local authorities; or
- (ii) in which 1 or more local authorities have the right, directly or indirectly, to appoint 50% or more of the directors of the company; or
- (b) an entity in respect of which 1 or more local authorities have, whether or not jointly with other local authorities or persons, –
- (i) control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the entity; or
- (ii) the right, directly or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the entity (Local Government Act 2002, Section 6).

Each CCO must complete annually a Statement of Intent that sets out activities and objectives of the CCO, provides opportunity for shareholders to influence the CCO's direction and provides a basis for the accountability of the CCO. The full Statement of Intent for each CCO is available for inspection from Council.

Central Hawke's Bay District Council has one Council Controlled Organisation: - Tamatea Limited

Tamatea Limited monitors the governance of Infracon Limited – in which it has 34% - the balance held by TDC Holdings, a CCO of Taranaki District Council. Tamatea Limited monitors the company's compliance with their Statement of Corporate Intent, regular monthly reporting against the company's budgets; and meetings between representative of the company and TDC Holdings, at both Board and officer level.

CCO	Why it Exists	What it Does	Performance Measures and Targets		
			Measure	Target 2008/9 - 2009/10	2010/11 - 20018/19
Tamatea Limited (100% owned)	* To hold Council's 34% shareholding in Infracon Limited. * To encourage and develop Infracon as a sound profitable company, in order that it can provide a return to Council and ratepayers in the District	The primary objective of Infracon is to be a competitive commercial business that provides quality contracting services and returns to its shareholders that exceed the cost of capital. The company undertakes work in the areas of - * Road and bridge maintenance contracts * Utilities and services maintenance * Parks and reserves maintenance * Civil engineering contracts for the New Zealand Transport Agency * Plant hire * Crushing and quarrying operations * Refuse collection and disposal * Supply of readymix concrete * Other works which are incidental or conducive to the attainment of operating as a successful business	Ratio of shareholders Funds to Total Assets	55%	55%
			Ratio of net profit before tax to Shareholder Funds	min 10%	min 12%