



Section 6 – Council Controlled Organisations

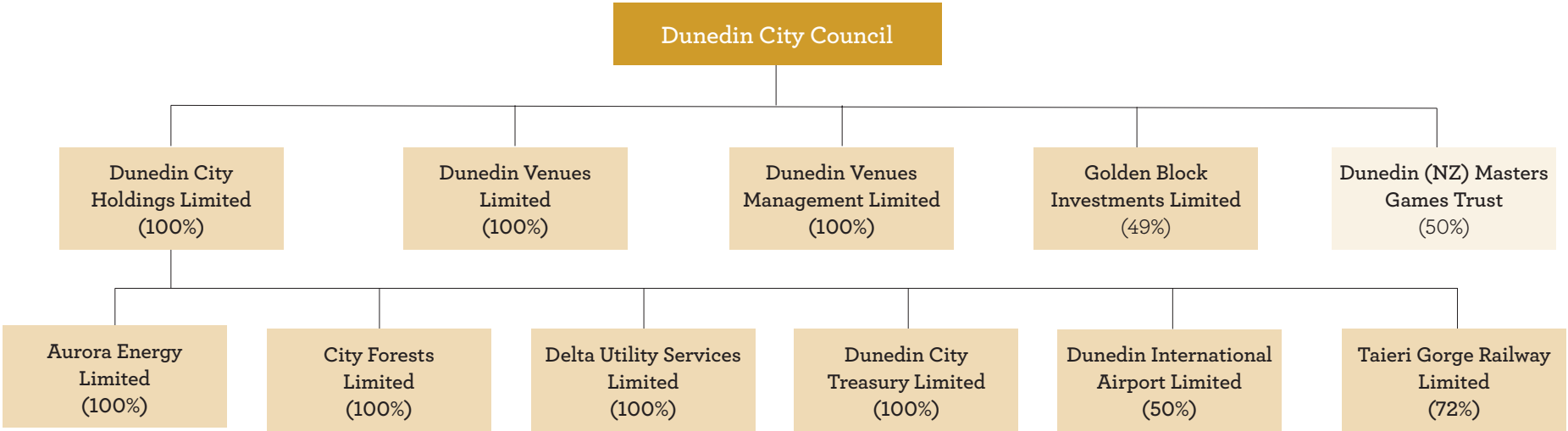
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Council Controlled Organisations – Summary of Background Information

In order to achieve specific objectives for Dunedin, the Council has established a number of Council Controlled Organisations (CCOs). These CCOs manage facilities, assets and/or deliver significant services on behalf of the Council and the wider Dunedin community. There are three kinds of CCOs – Council Controlled Trading Organisations (CCTOs); not-for-profit CCOs; and non-trading CCOs. Each of the trading CCOs prepares a “Statement of Intent” which sets out its mission, objectives and performance targets for each financial year.

The following diagram illustrates the current structure and ownership of the CCOs:



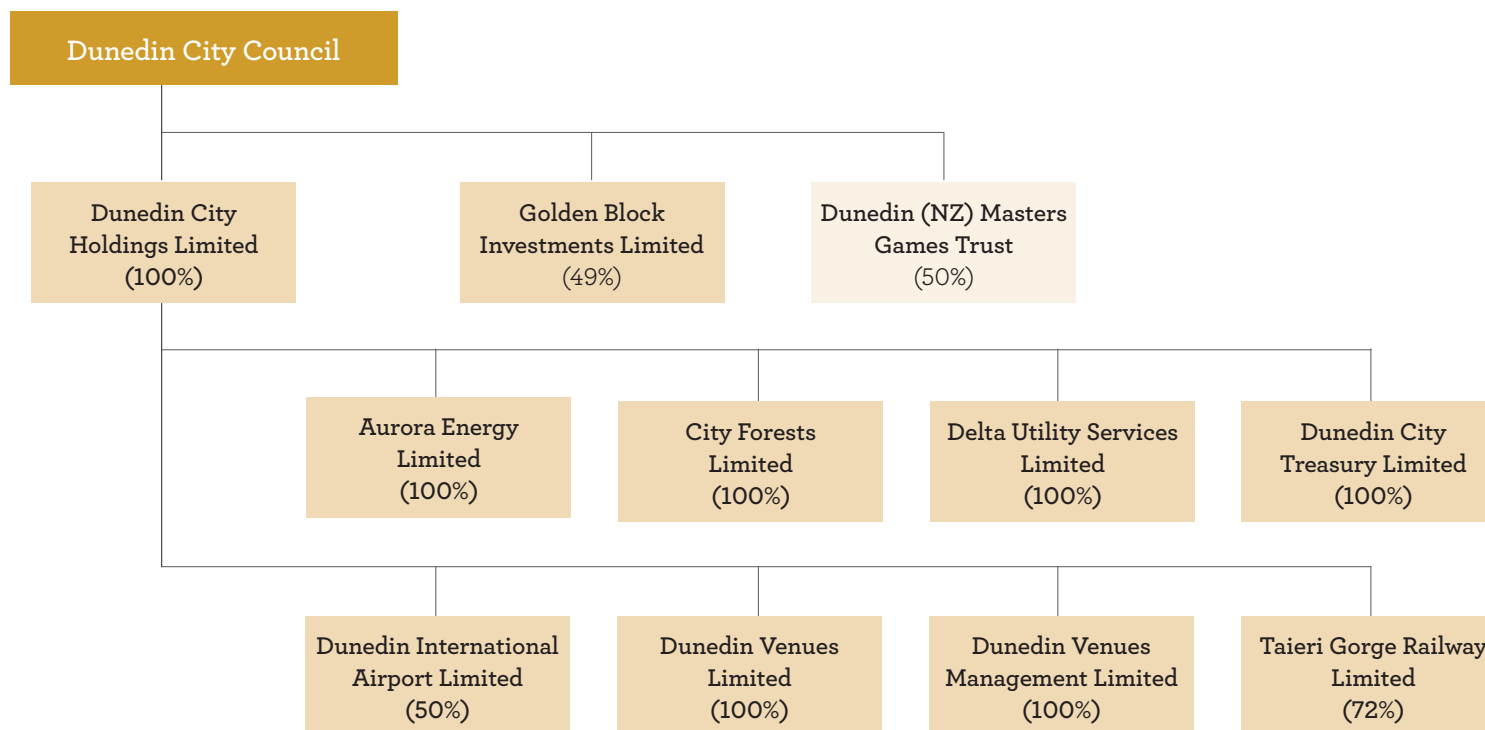
Note the Dunedin International Airport is an associate company of DCHL, not a CCTO.

The Council considered the governance, ownership and operations of Dunedin Venues Limited (DVL) and Dunedin Venues Management Limited (DVML) on 24 November 2014. It was agreed that the Council would consult on transferring ownership of DVL (owner of the Stadium) and DVML (operator of the Stadium) to Dunedin City Holdings Limited (DCHL) through the 2015/16-2024/25 Long Term Plan consultation¹. This change was confirmed by the Council in May 2015². The following diagram illustrates the structure and ownership of the CCOs, with DVL and DVML transferred to DCHL:

1 Refer to “Forsyth Barr Stadium Review Report” and minutes from Extraordinary meeting of the Dunedin City Council, 24 November 2014.

2 Refer to minutes from the Long Term Deliberations 18 -21 May 2015.

Council Controlled Trading Organisations



Dunedin City Holdings Limited and subsidiaries

Dunedin City Holdings Limited (DCHL) is the parent company of many of the Council Controlled Trading Organisations, and has the primary role of monitoring the operating performance of its subsidiary and associated companies to ensure each company provides the maximum advantages in all respects to the Council.

The current Statement of Intent for DCHL identifies specific objectives and performance targets for 2015/16.

The following table sets out the key financial targets for DCHL.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
To DCC Interest and Dividends	\$ 5.9 m	\$ 5.9 m	\$ 6.2 m	\$6.7 m	\$7.2 m	\$7.8 m	\$8.3 m	\$8.3 m	\$8.4 m	\$8.5 m
To DVL Subvention Payment (Before Tax)	\$5.3 m	\$5.3 m	\$5.3 m	\$5.3 m	\$5.3 m	\$5.3 m	\$5.3 m	\$5.3 m	\$5.3 m	\$5.3 m

Each of DCHL's subsidiary companies prepares a Statement of Intent, which is considered by DCHL, which then makes recommendations for acceptance by the Council. It should be noted that each CCTO has financial social, and environmental performance measures.

The following table lists DCHL's subsidiary and associated companies, their main activities and links to their current Statement of Intent.

Company	Nature and scope of activities	Statement of Intent
Aurora Energy Limited	The company undertakes activities related to the development and ownership of electricity distribution assets and other infrastructural assets.	Aurora Energy Limited Statement of Intent 2015/16
City Forests Limited	The company forests are principally located in the Coastal Otago Region while the products produced from its activities are sold on local and international markets. The company's activities include expansion of opportunities in forest ownership and activities across the value chain.	City Forests Limited Statement of Intent 2015/16
Delta Utility Services LTD	The company's principal activities are the management, construction, operation and maintenance of infrastructural utility assets and the provision of contracting and related services.	Delta Utility Services LTD Statement of Intent 2015/16
Dunedin City Treasury Limited	The company provides the Dunedin City Council Group with treasury management services. The company identifies and manages financial risks and manages the liquidity of the Dunedin City Council Group to ensure that adequate funds are available to meet ongoing obligations. Financing costs are minimised and the return on surplus funds is maximised within acceptable levels of risk.	Dunedin City Treasury Limited Statement of Intent 2015/16
Dunedin International Airport Limited	The company operates the Dunedin International Airport for aviation users. The company is responsible for the design, provision and maintenance of runways, taxiways, turnouts and aprons, and for managing assets which may be used in the future, e.g., land held for airport expansion and environmental control purposes.	Dunedin International Airport Limited Statement of Intent 2015/16
Taieri Gorge Railway Limited	The company operates train services as a tourist, charter and community oriented enterprise. The company also operates a retail and booking office based at the Dunedin Railway Station.	Taieri Gorge Railway Ltd Statement of Intent 2015/16

Dunedin Venues Limited

Dunedin Venues Limited (DVL) is the owner of Forsyth Barr Stadium. DVL provides a modern stadium for use for public and private events. The current Statement of Intent for DVL identifies specific objectives and performance targets for 2015/16.

Dunedin Venues Management Limited

Dunedin Venues Management Limited (DVML) manages the Forsyth Barr Stadium, the Dunedin Centre (incorporating the Dunedin Town Hall) and the Porters Lounge (at the Dunedin Railway Station). DVML undertakes the following activities:

- Securing events
- Planning, hosting and delivering events to a high standard
- Managing the assets and facilities for which it is responsible
- Providing community access to the venues for which it is responsible.

The current Statement of Intent for DVML identifies specific objectives and performance targets for 2015/16.

Council Controlled Organisations (not for profit)

Not-for-profit organisations are also considered Council Controlled Organisations if the Council and other local authorities have the power to appoint 50% of the trustees to the Board.

Tourism Dunedin Trust

The Tourism Dunedin Trust was disestablished on 30 June 2014, and the functions of Tourism Dunedin were incorporated into the Council's new economic and city marketing agency – Enterprise Dunedin³.

Council Controlled Organisations granted an exemption under section 7 of the Local Government Act 2002

The Local Government Act 2002 section 7(3) provides for the Council, by resolution, to exempt small organisations that are not Council Controlled Trading Organisations from the reporting and other requirements of the Local Government Act 2002.

Non-trading companies

On 14 March 2012, the Council granted an exemption under section 7 of the Local Government Act 2002 to each of the non-trading companies listed below:

- Tourism Dunedin Limited
- Dunedin Events Limited
- Dunedin Visitor Centre Limited

These companies are shelf companies registered only for the purpose of securing the names and therefore the exemption to complete the various administrative requirements of the Local Government Act 2002 is a prudent management of resources.

Small organisation

Dunedin (New Zealand) Masters Games Trust

On 10 August 2011, the Council granted an exemption under section 7 of the Local Government Act 2002 after consideration of the size of the organisation and the nature and scope of the Trust activities. This exemption was reconfirmed on 3 November 2014⁴.

³ Refer to "City Marketing Report" and minutes from the non-public part of the Dunedin City Council meeting, 15 May 2013

⁴ Refer to "Dunedin (New Zealand) Masters Games Trust CCO Exemption Report" and minutes the Dunedin City Council meeting, 3 November 2014

