

RAUTAKIINGA TŪROA

**LONG
TERM
PLAN**

2024

2034



te kaunihera ā-rohe o
matamata-piako
district council

**NGĀ RŌPŪ A TE
KAUNIHERA**

**COUNCIL CONTROLLED
ORGANISATIONS**

**WĀHANGA
SECTION**

8

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Ngā rōpū a te kaunihera | Council controlled organisations

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Tirohanga whānui |

Overview

Council controlled organisations (CCOs) are described in the Local Government Act 2002 as any organisation in which one or more councils control 50% or more of the voting rights or appoint one or more of the directors. The Local Government Act 2002 requires us to include in the Long Term Plan information on certain council controlled organisations in which we are a shareholder.

This includes information on:

- Our policies and objectives that relate to the ownership and control of the organisation
- The nature and scope of the activities to be provided by the council controlled organisation
- The key performance targets and other measures by which performance may be judged

We do not have any significant policies or objectives about ownership and control of council controlled organisations. Appointment of a director to a council controlled organisation, who represents the Matamata-Piako District Council, aligns with our policy on appointment of directors.

Waikato regional airport limited (WRAL)

Waikato Regional Airport Limited replaced the Airport Authority in 1989, which previously ran Hamilton Airport. We consider the airport to be a significant infrastructural asset for the region and important for economic growth and development. The Local Government Act 2002 defines shareholding in an airport as a strategic asset.

Ownership

WRAL is jointly owned by five local authorities: Hamilton City, Waikato District, Waipa District, Ōtorohanga District and Matamata-Piako District Councils. Matamata-Piako District Council's shareholding is 15.625%.

Nature and scope of activities

WRAL incorporates Hamilton Airport, Titanium Park Limited, Hamilton & Waikato Tourism Limited, and Waikato Regional Airport Hotel Limited.

The key objectives of WRAL group are to:

Operate an efficient and compliant airport

- Operate a first class, safe and compliant regional airport by providing for essential projects, together with any compliance expenditure warranted.

Enhance the traveller experience

- Maximise traveller satisfaction and airport experience through continued investment in passenger facilities and technologies that also assist to drive sustainable outcomes.

Maintain a viable aeronautical business

- Assist airlines to identify opportunities to increase flight schedules and passenger numbers.
- Identify and activate new development opportunities within the general aviation sector.
- Position and protect the airport as an efficient, cost effective international port.
- Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.

Maximise revenue diversification through non-aeronautical business opportunities

- Promote and secure tenants for the airline engineering base and flight training academy facilities to secure new aeronautical operators and enhance a vibrant general aviation community.

- Support Pyper Vision to deliver trials of the fog dispersal technology to improve airline efficiency and customer experience, whilst also enhancing value of WRAL's investment in this venture.
- Complete construction of airport infrastructure to support private aeronautical property development.

People

- Implement an organisation-wide strategy that takes a holistic view of employee wellbeing, recognising wellbeing as a measure of our organisation's success.
- Provide training and development to personnel to ensure individually and collectively, our personnel remain leaders of best practice in their respective fields.
- Retain a high performing team to build resilience, capability and responsiveness to growth and change opportunities.

Sustainability

- Achieve Level Three certification under the global Airport Carbon Accreditation Program.
- Maintain the Jet Park Hotel's Qualmark Silver Enviro rating.
- Continue to develop and implement a long-term sustainability plan aligned to advancing levels under the global Airport Carbon Accreditation Program.

Develop and optimise the land holdings of the Group to generate a long-term income from a diversified property portfolio

- Titanium Park Limited will continue marketing for sale, development and optimised investment, all available non-aeronautically strategic land in a planned and co-ordinated approach.
- Support the development of land within the bounds of a sound, strategic approach to long-term planning as defined in the 2022 updated aeronautical master plan.
- Upon notification of the private plan change outcome, complete a detailed master plan for the first stage of Northern Precinct for at least 10ha of land and its enabling infrastructure.

Operate the airport hotel to return to (or exceed) its investment business case growth targets and customer satisfaction targets following the disruptions to its growth strategy from the pandemic

- Improvement of hotel brand awareness through increased marketing activity.
- Establishment of Propeller Restaurant as a local destination restaurant.
- Complete renovations of guest recreation facilities to improve customer satisfaction.

Assist in the development and marketing of the Hamilton and Waikato region as a visitor destination to domestic and international visitors

- Implement activities within the Destination Management Plan to assist with the restart and reimagining of the tourism sector in a regenerative/sustainable manner.
- Assist with major event bids and then work with major event promoters to ensure the event is leveraged to activate visitors to the region.
- Maintain and strengthen support for regional tourism through partnerships with local government, the tourism industry and the wider regional community.

Key performance targets

Financial Performance Measure	Actual (\$000)		Target (\$000)		
	2021/22	2022/23	2023/24	2025/26	2026/27
Net surplus/(deficit) before tax <i>no less than</i>	2,123	10,763	1,000	3,000	12,500
Earnings before tax, interest, depreciation & amortisation (EBITDA) excl Land Sales of at least	5,996	5,674	6,000	6,500	7,000
Earnings before tax, interest, depreciation & amortisation (EBITDA) incl Land Sales of at least	6,383	15,764	7,500	9,500	18,000
Percentage of non-landing charges to total revenue of at least	82%	70%	60%	60%	60%
Land Sales of at least	2,020	14,723	3,000	4,500	40,000
Interest coverage ratio of at least	13.2	9.7	3.0x	4.0x	4.0x
Net operating cash flow excl Land sales of at least	4,471	2,656	6,000	7,000	15,000
Net debt a maximum of	16,774	20,149	-	-	-
Shareholder funds to total assets of at least	85%	86%	-	-	-
Total debt excluding design-build acquisitions (maximum)	New measure	New measure	35,000	35,000	35,000

Non-Financial Performance Measure	Actual	Target
	2022/23	2023/24 – 2025/26
Zero WorkSafe notifiable accidents/injuries	Achieved	Zero WorkSafe notifiable accidents/injuries
Independently review and audit the health and safety system each year.	Achieved	Operate a workplace that fosters employee wellbeing and improving organisational culture, as measured by the Employee Engagement Survey.
To achieve airport certification standards required by the Civil Aviation Authority (CAA) as evidenced by CAA audit reports.	Achieved	To maintain the Airport Certification Standards as required by the Civil Aviation Authority.
Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events).	Achieved	Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events).
Facilitate noise management meetings every 4 months in accordance with the noise management plan.	N/A	Assist airlines to identify opportunities to increase flight schedules and passenger numbers.
Facilitate health & safety meetings every 2 months with representatives from each company department.	N/A	Identify and activate new development opportunities within the general aviation sector.
		Position and protect the airport as an efficient, cost effective international port.
		Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.
		Complete construction of airport infrastructure to support property development and optimisation.
		Develop a MOU with local iwi organisations that provides for a collaborative relationship to future developments that will embrace Te Ao Maori principles and celebrating the rich cultural history of our rohe.
		Reduce Group electricity purchases by at least 20% on 2023 levels (measured in kWh used) upon commissioning of the first stage of the solar farm development.
		Achieve Level 3 (Optimisation) accreditation to the Airport Council International's Airport Carbon Accreditation programme.
		Reduce landfill waste through reduced usage of non-recyclable single-use materials and improved sustainable material usage in construction.

Waikato local authority shared services limited (WLASS) - trading as Co- Lab

Co-Lab was established in 2005 to promote shared services between local authorities across the Waikato region. By encouraging and enabling the councils to work together, Co-Lab aims to reduce costs, achieve effectiveness and efficiency gains, reduce duplication of effort, eliminate waste through repetition, promote and contribute to the development of best practice, and help to improve customers' experiences.

Council became a shareholder following public consultation during the 2005/06 Annual Plan.

Ownership

Co-Lab is a council controlled organisation solely owned by the 12 Waikato local authorities – Waikato Region, Hamilton City, Hauraki District, Matamata-Piako District, Ōtorohanga District, Rotorua District, South Waikato District, Thames-Coromandel District, Waikato District, Waipa District, Waitomo District and Rotorua Lakes District.

Matamata-Piako's shareholding is 8.33%.

Nature and scope of activities

Much of the work of Co-Lab is undertaken by Working Parties or Advisory Groups made up of staff from the shareholding councils with expertise and interest in particular areas. Co-Lab provides a legal entity representing all of the shareholding councils, and can enter into contracts and agreements with external suppliers.

Member councils pay a small annual levy, depending on their size, towards the operational expenses of Co-Lab. Services obtained by members are funded on a user pays basis, whereby each council pays for and receives the financial benefit of its share of any particular service. The decisions about potential projects or services are made by the Directors, who make up the Co-Lab Board.

Co-Lab's ultimate goal is councils maximising the value they provide to their communities by helping them identify and realise shared opportunities.

Key performance targets

Priority	Performance Measure (Target)	Actual	Target
		2022/23	2023/24
Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives.	Business cases will include measurable benefits linked to one or more of the outcomes sought. (Projected savings to councils of \$300k).	Not achieved	Projected savings/increased revenue to councils of at least \$300k.
	Opportunity assessments are supported by councils (evidenced by Board minutes). (75% of councils).	Unable to currently measure	75% of councils.
Develop opportunities and deliver projects within agreed budgets and timelines.	Opportunities/projects are developed/delivered within agreed timelines. (80%)	Not achieved	80%
	Opportunities/projects are developed/delivered within approved budget. (90%)	Not achieved	90%
	Overall, Company Management/Support functions will be undertaken within budget, unless additional expenditure has board pre-approval.	Not achieved	
Ensure projects realise their expected benefits	Measurable benefits are actively monitored and reported against. (Six-monthly).	Achieved	Six-monthly
	Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised). <ul style="list-style-type: none"> (For \$200k+ Projects (based on cost of opportunity development and ongoing investment) within 15 months). 	Achieved Achieved	<ul style="list-style-type: none"> For \$200k+ Projects (based on cost of opportunity development and ongoing investment assessment within 15 months). 90% of projected quantifiable benefits are realised.

Priority	Performance Measure (Target)	Actual	Target
		2022/23	2023/24
	<ul style="list-style-type: none"> 90% of projected quantifiable benefits are realised. 		
Ensure existing services are meeting the needs of councils	<p>The services we provide are considered by councils who use that Service to meet or exceed their expectations (evidenced by an annual survey).</p> <p>(80% of councils).</p>	Not achieved	80% of councils.
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice.	<p>Across these groups, ideas for future consideration and/or initiatives are identified each year.</p> <p>(Four per annum).</p>	Achieved	Four per annum.

Hauraki Rail Trail Charitable Trust

Ownership and nature of entity

Hauraki Rail Trail Charitable Trust (Trust) is the governance entity for the cycleway known as the Hauraki Rail Trail (HRT). Currently the Trust is responsible for developing, managing and promoting the HRT, which is part of the New Zealand wide network of cycleways branded as Ngā Haerenga.

In accordance with the Trust deed, there must be between three and six trustees on the board. Each council can appoint three trustees. Iwi in the three districts can also appoint three trustees.

The Hauraki, Matamata-Piako and Thames-Coromandel district councils are settlors to the Trust deed. All three councils, in accordance with Section 7 of the Local Government Act 2002, have exempted the Trust from reporting requirements under the Act. The first exemption was granted in 2017, and this has been reviewed and renewed every three years since then. The next review process is due in 2026. Because of the exemption, in accordance with Section 6 of the LGA, the Trust is not considered a Council Controlled Organisation for the purposes of this Plan.

Nature and scope of activities

The Trust's purpose is generally to operate and facilitate the use and enjoyment of the Hauraki Rail Trail. The defined purposes of the Trust include the specific objectives of expanding the Hauraki Rail Trail where possible and maintaining the Hauraki Rail Trail to appropriate standards.

Key objectives

Priority area	Key objectives for 2024/25
Financial	The future financial sustainability of the Trust, in conjunction with Settlor Councils.
Health and Safety	Completion of the upgrade and implementation of our Health and Safety policies/procedures to meet statutory requirements.
Asset management	Remediation of storm damages.
	Transition of Paeroa to Kaiaua and Te Aroha-Matamata extensions into the Trust's management.
	Progress on linking to Auckland, via Hunua, and via Waikato.
	Continue to raise funds to upgrade trail surface north of Te Aroha.

The Trust Annual Report outlines the deliverables against the agreed key objectives.

