

STAFF REPORT

TO: Chair and Members, Corporate Services Committee

FROM: Financial Accountant

DATE: 16 June 2010

SUBJECT: **Port Golden Bay Ltd - Council Controlled Organisation – RFN10-06-10**

Purpose

To consider exempting Port Golden Bay Ltd from the Council Controlled Organisation requirements under the Local Government Act 2002 (The Act).

Background

Sections 64-70 of the Act detail the legislative requirements of a council-controlled organisation (CCO) including reporting and disclosures. Section 7(3) allows Council to exempt small organisations that are not a trading organisation from being a CCO, and therefore from being subject to the legislative obligations.

Under s7 (6)(b) these exemptions are required to be reviewed at intervals of not less than three years.

Discussion

A CCO (as defined under Section 6 of the Act) is an organisation in which the Tasman District Council, either on its own or jointly with other local authorities, has the right directly or indirectly to appoint 50% or more of the trustees, directors or managers of the organisation. Under this definition, Port Golden Bay Ltd is deemed to be a CCO and would be subject to the prescribed monitoring regime set out in the Act. Section 64-70 of the Act imposes reporting requirements on these CCOs such as requiring statements of intent, half yearly reporting, annual public reporting etc.

Section 7 of the Act allows the Council to exempt a small organisation for the purposes of Section 6(4)(i), after having taken account of:

- a) the nature and scope of the activities provided by the organisation, and
- b) the costs and benefits, if an exemption is granted, to the Council, the CCO and the community.

Port Golden Bay Ltd was incorporated on 10 April 2010. It does not trade, and was set up for name protection purposes only.

Exempting Port Golden Bay Ltd would mean that there will be no requirement:

- to produce an annual statement of corporate intent, incorporating measures by which the Council can assess the achievement of its objectives
- to submit to the Council a half yearly report on its operations
- to submit to the Council, and make available to the public, an annual report on its operations
- to submit its annual report for audit by an auditor appointed by the Auditor-General.

Being exempted from these requirements will relieve Port Golden Bay of a significant additional administrative and cost burden.

An exemption is required to be granted by resolution of the Council and must be reviewed every three years.

Significance

This report is not considered significant in accordance with Council's significance policy.

Recommendation

That for the 2009/2010 financial year, Council resolves to exempt Port Golden Bay Ltd from the requirements of a council controlled organisation, as permitted under section 7 of the Local Government Act 2002 and that this exemption be reviewed on an annual basis.

Bryce Grammer
Financial Accountant