

# Auckland Transition Agency

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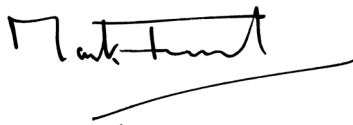
3 December 2009

Dear Chief Executives

I am advised that the Minister of Local Government is today releasing documents including Cabinet papers relating to decisions leading to the Third Bill for the reform of Auckland Governance. Among the issues covered in these documents are the high-level structure for CCOs proposed by the ATA and examples of certain existing entities which could be regrouped into new CCOs. A brief overview of the ATA's current thinking in this area which has fed into the Cabinet paper is attached for your information.

I would ask that you share this document with any CCOs under your control. As you are aware, the ATA's work in this area is ongoing and it is our intention early in the New Year to publish a Discussion Document on CCOs for consideration and feedback.

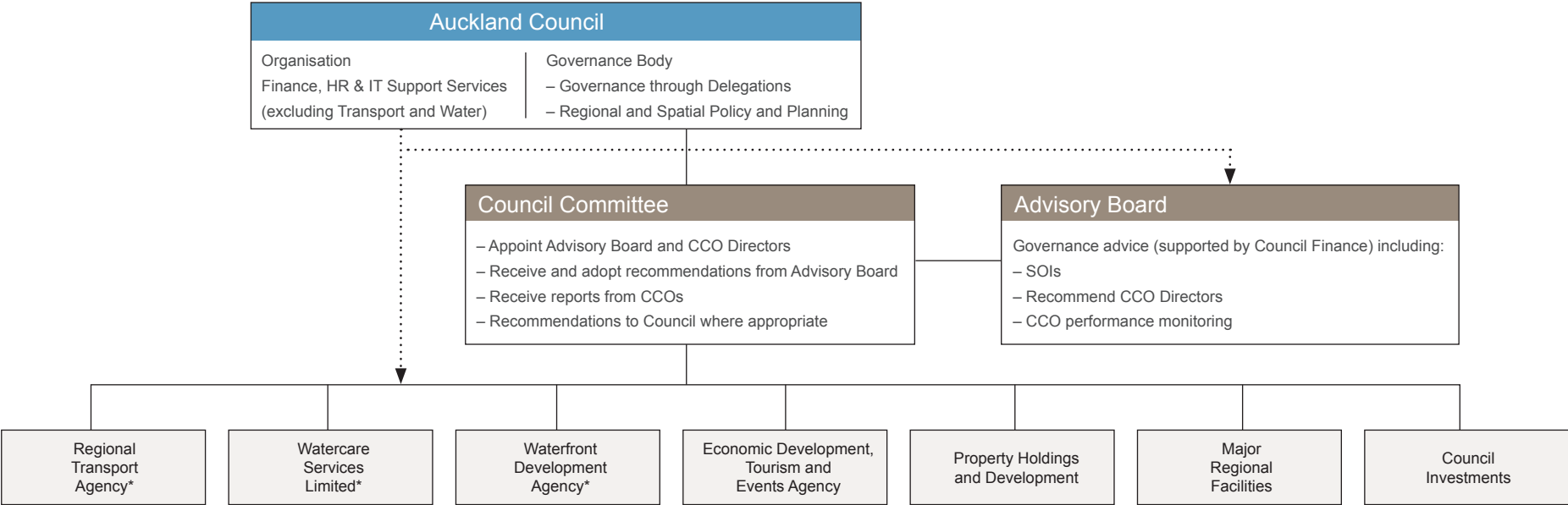
Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Ford', with a long horizontal flourish extending to the right.

Mark Ford

Executive Chairman

# Proposed Structure and Governance Framework for Council-Controlled Organisations (CCOs)



\*These CCOs have previously been approved by Cabinet or are legislated for

## The proposed new CCOs

Economic Development and Tourism	Property Holdings and Development	Major Regional Facilities	Council Investments
<p>This could bring together existing entities including:</p> <ul style="list-style-type: none"> <li>• Tourism Auckland</li> <li>• Auckland Plus (ARC business unit)</li> <li>• Waitakere Enterprise Trust</li> <li>• Enterprise Franklin Development Trust</li> <li>• Enterprise North Shore Trust</li> <li>• Visitor Centres</li> </ul> <p>The current Rugby World Cup 2011 preparations being co-ordinated by the Auckland City Council could report to this CCO.</p> <p>It is yet to be determined whether some or all of the existing trusts will be disestablished, particularly in the short-term. It is intended to maintain some presence at a sub-regional level. Regardless of whether or not there is a subsidiary structure the prime objective is to achieve a strategic and co-ordinated approach to economic development, events and tourism in Auckland.</p>	<p>Commercial property, development and tradable property assets will be held by this CCO. Property acquired for, but not yet needed for activities such as transport, will be held and managed by this CCO. Likewise property which becomes surplus will be transferred to or managed by this CCO for disposal.</p> <p>The bulk of property held by councils, however, will be owned and managed by the Council. This consists of non-commercial property held for the purposes of council activities eg parks, libraries, recreation centres etc.</p> <p>Existing entities which could transfer into this CCO include:</p> <ul style="list-style-type: none"> <li>• Rodney Properties Ltd</li> <li>• Araparera JV (Rodney)</li> <li>• Waitakere Properties Ltd</li> <li>• Tomorrow's Manukau Properties Ltd</li> <li>• NSL Holdings Ltd</li> <li>• Waitakere City Holdings Ltd</li> <li>• Waste Disposal Services (an unincorporated JV between MCC and Trans Pacific Industries)</li> <li>• Whitford Quarry</li> </ul>	<p>The purpose of this CCO is to group and co-ordinate the activities of the various major regional facilities, including stadia, museums and significant cultural, heritage and leisure facilities. The primary objectives are to facilitate the attraction of major events to Auckland and to achieve optimum utilisation of existing facilities.</p> <p>For reasons of legal and/or operational status, some of the existing entities are likely to remain in place with the proposed CCO playing a strategic co-ordination role in terms of operations and future investments.</p> <p>Entities which could be grouped under this CCO include:</p> <ul style="list-style-type: none"> <li>• Auckland War Memorial Museum</li> <li>• Museum of Transport and Technology</li> <li>• Auckland Observatory and Planetarium</li> <li>* Maritime Museum</li> <li>• North Harbour Stadium</li> <li>• Mt Smart Stadium</li> <li>• North Shore Events Centre</li> <li>• Telstra Clear Pacific Events Centre</li> <li>• Bruce Mason Centre</li> <li>• Waitakere Trusts Stadium</li> <li>• Auckland Zoo</li> <li>• Auckland Art Gallery</li> <li>• Vector Arena</li> <li>• The Edge/Aotea Centre</li> <li>• Eden Park (post-Rugby World Cup)</li> </ul> <p>Smaller community venues, leisure, heritage and arts facilities will be managed within the Auckland Council structure or existing trusts.</p>	<p>This CCO would include investments or CCOs not held by the other CCOs proposed in this structure with a view to maximising returns for the Council. It is not proposed that the returns from this CCO will be tagged to any particular activity in the way that Auckland Regional Holdings returns are at present.</p> <p>Investments and commercial activities likely to be held by this activity include:</p> <ul style="list-style-type: none"> <li>• Auckland International Airport Limited (AIAL) Shares (Auckland City Council)</li> <li>• Manukau City Investments Ltd (the holder of Manukau City Council's AIAL shares)</li> <li>• Auckland Regional Holdings (ARH) assets including Ports of Auckland shares, diversified financial assets and cash</li> <li>• Shares in NZ Local Government Insurance Corporation Ltd</li> <li>• Waitakere City Council's Vehicle Testing Station (a business unit of Waitakere City Council)</li> <li>• City Parks (a business unit of Auckland City Council)</li> <li>• North West Auckland Airport Ltd</li> </ul>