

STAFF REPORT

TO: Chair and Members, Corporate Services Committee

FROM: Corporate Services Manager

REFERENCE:

DATE: 25 May 2009

SUBJECT: **Nelson Airport Ltd – Statement of Intent 2009/2010**

Purpose

To approve the 2009/2010 Nelson Airport Ltd Statement of Intent (SOI) for signing.

Background

Nelson Airport Ltd (NAL) along with other Council controlled organisations is required to complete an SOI by 30 June each year.

Due to the next meeting of the Combined Shareholders Group occurring after the end of the current financial year, the 2009/2010 SOI of NAL is being brought direct to Council for formal approval. Nelson City Council has already passed a similar resolution approving this business plan for signing.

The Board Chair Paul Steere, and the Chief Executive Kay McNabb will be in attendance to discuss the draft SOI.

Discussion

The 2009/2010 SOI is similar to the previous year's document, however I wish to draw the Committee's attention to the following changes:

Point 4: Performance Targets

Clauses 5 to 11 are new and clause 11 in particular has been added at the request of Nelson City Council (NCC) to comply with their policies on sustainability. My enquiries of NAL indicate that the directors of NAL have accepted that additional clause.

Dividends

Future dividends forecast have increased from last year's SOI and exceed those contained in Council's 2009 – 2019 LTCCP.

Point 7: Dividend Policy

Previous dividend policies had a minimum dividend to be paid of \$160,000. This has now been removed. Such a change should have been a matter of prior discussion with shareholding councils, however given the forecast dividends in the SOI it is recommended that this change be accepted.

Significance of Decision

The SOI is significant in that it defines the company's social, environmental and financial objectives over the next 12 months.

Options

Option 1

Decline to adopt the SOI and send it to the Combined Shareholders Group for further discussion and amendment before being re-presented to Council.

Option 2

Accept the SOI, as presented.

Recommendation

That the Nelson Airport Ltd's Statement of Intent for 2009/2010 be approved for signing.

Murray Staite
Corporate Services Manager