

Council

Meeting of 03 June 2026

Business Unit: Community

Date Created: 26 May 2026

Council Controlled Organisations Exemption Report

Purpose Te Aronga o te Pūrongo

To consider the granting of exemptions to the Manawātū District Youth Development and Wellbeing Trust, MWLASS, Camp Rangī Woods Trust, Manawatu-Wanganui Regional Disaster Relief Fund, RNZAF Ohakea Visitor Centre Trust, and Heartland Contractors from being a Council Controlled Organisation (CCO) in accordance with section 7(5) of the Local Government Act 2002.

Recommendations Ngā Tūtohunga

That the Council grants exemptions from Council-Controlled Organisation (CCO) status under section 7(5) of the Local Government Act 2002 to the following entities for a three-year period expiring 16 June 2029:

1. Manawātū District Youth Development and Wellbeing Trust
2. Camp Rangī Woods Trust
3. Manawatu-Wanganui Regional Disaster Relief Fund
4. RNZAF Ohakea Visitor Centre Trust
5. MWLASS
6. Heartlands Contractors

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1 Background Ngā Kōrero o Muri

1.1 Under section 6(1) of the Local Government Act 2002 (the Act) a Council-Controlled Organisation (CCO) means a council organisation that is:

- (a) a company with 50% or more of the shares owned by one or more local authorities; or
- (b) an organisation that one or more local authorities have the right to appoint 50% or more of the trustees or directors.

1.2 Under the above definition the Manawatū District Youth Development and Wellbeing Trust, Camp Rangi Woods Trust, Manawatu-Wanganui Regional Disaster Relief Fund, RNZAF Ohakea Visitor Centre Trust, MWLASS and Heartland Contractors Limited are all CCOs.

1.3 Section 7 of the Local Government Act 2002 authorises a local authority to exempt a small CCO (that is not a council-controlled trading organisation) from the statutory requirements to prepare a Statement of Intent and undertake monitoring and reporting in accordance with Part 5 of the Act.

1.4 Such an exemption can only be granted by resolution of Council after taking account of section 7(5):

- 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.

If an exemption is applied the organisation would still be a Council Organisation (CO).

1.5 When an exemption is granted it must be reviewed within three years and can be revoked at any time. This report brings all CCO exemption reviews into one report to make the process more efficient and synchronised.

2 Strategic Fit Te Tautika ki te Rautaki

2.1 The CCOs in this report contribute to the following priorities of Council as laid out in the Long-term Plan: A place to belong and grow; A prosperous, resilient economy; Value for money and excellence in local government.

3 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

3.1 In accordance with section 7 of the Act, the following Council Organisations are now due for consideration to be exempted as a CCO:

3.2 **Manawatū District Youth Development and Wellbeing Trust** - Council established the Manawatū District Youth Development and Wellbeing Trust in October 2019. The Trust

operates as both a Charitable Trust and a Council Controlled Organisation. The current exemption expires on 16 June 2026. There have been no changes to the nature and scope of the activities of the Trust since establishment.

- 3.3 **Camp Rangī Woods Trust** – this trust was established in 1993 for the charitable purpose of maintaining and managing Camp Rangī Woods. A variation to the trust deed in 2014 resulted in the Trust reducing from three trustees to two and MDC being able to appoint 50% of the Board. It therefore became a CCO. The current exemption as a CCO is due to expire 16 June 2026.

As per Council resolution MDC 21/714 18 March 2021, it was resolved Council delegate authority to the Chief Executive to negotiate the exit of Manawātū District Council from the Camp Rangī Woods Trust. Progress towards the exit of Manawātū District Council from the Trust is on-going.

- 3.4 **RNZAF Ohakea Visitor Centre Trust** – this trust was established in 2007 for the purpose of investigating the viability of a combined Heritage Visitor Centre at Ohakea and promoting aviation history. The trusts five trustees are appointed by an Electoral College of 9, comprising 6 representatives from Manawatu District Council, Palmerston North City Council and Rangitikei District Council. It is therefore a CCO. The Trust has never operated but still remains a CCO as a majority Council appointing power and would be needed if the Trust was to be wound up. The current exemption as a CCO is due to expire 16 June 2026.

- 3.5 **Manawatu-Wanganui Regional Disaster Relief Fund Trust** – this trust was established in 2004 by all the Councils in the Horizon region to establish a fund for the primary purpose of meeting the welfare needs of people following a significant natural or man-made disaster in the Manawatu-Wanganui region or elsewhere in New Zealand. It is a CCO, with all trustees being appointed by Councils. The current exemption as a CCO is due to expire 16 June 2026.

- 3.6 **MWLASS** – Manawatu-Whanganui Local Authority Shared Services Ltd (MWLASS) was created in 2008 to provide a platform for collaborative projects between eight councils in the Horizons Region. Council first exempted MWLASS from being a CCO in conjunction with agreement from other member Councils in 2008. The current exemption expires on 19 June 2026. There have been no changes to the nature and the scope of the activities of the Trust.

- 3.7 **Heartland Contractors Limited** – Heartland Contractors Limited is a 100% owned subsidiary of the Manawatu District Council. The company has been inactive for a number of years and does not provide any services to the community. The company has accumulated tax losses that may be beneficial in future years. Council first exempted the company from being a CCO in 2003 and granted exemptions in 2007, 2011, 2014, 2017 and 2020. The current exemption expires 19 June 2026.

- 3.8 The Central Economic Development Agency (CEDA), Manawatu Community Trust, and Feilding Civic Centre Trust are not small CCOs and are not being reviewed for exemptions.

- 3.9 Council could choose to not renew the exemptions for a further three-year period of some, or all of the exemptions previously granted under Section 7(5) of the Local Government Act. Should the Council decide not to renew some, or all of the exemptions previously granted, the organisations not exempted would then be subject to the statutory

requirements to prepare a Statement of Intent and undertake monitoring and reporting in accordance with Part 5 and Schedule 8 of the Act.

4 Risk Assessment Te Arotake Tūraru

4.1 Not applicable.

5 Engagement Te Whakapānga

Significance of Decision

5.1 The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Māori and Cultural Engagement

5.2 There are no known cultural considerations associated with the matters addressed in this report. No specific engagement with Māori or other ethnicity groups is necessary.

Community Engagement

5.3 The CCOs will be informed of the resolution of Council subsequent to Council consideration. No further consultation is required.

6 Operational Implications Ngā Pānga Whakahaere

6.1 There are no operational implications with this report.

7 Financial Implications Ngā Pānga Ahumoni

7.1 There are no financial implications with this report.

8 Statutory Requirements Ngā Here ā-Ture

8.1 The recommendations are in accordance with Council's Statutory Requirements as set out in Section 7 of the Local Government Act 2002.

9 Next Steps Te Kokenga

9.1 Inform the Manawatū District Youth Development and Wellbeing Trust, Camp Rangi Woods Trust, Manawatu-Wanganui Regional Disaster Relief Fund, RNZAF Ohakea Visitor Centre Trust, MWLASS and Heartland Contractors Limited CCO's of the outcome of the Council decision to grant exemptions under Section 7(5) of the Local Government Act 2002 for a three-year period.

10 Attachments Ngā Āpitihanga

- Nil