

Symbols used to identify each measure contributing to community outcomes

SC Services that support Communities

Council Controlled Organisation Initiatives		Measure		SC
Engage in successful commercial transactions		Growth in value of FNHL to the shareholder		
Result 2009/10: Not achieved	Target 2010/11: Annual increase	Result 2010/11: Not met	Not Achieved - Comments: Council has determined that the community is better served by the return of funds in the form of dividends and this is now the primary measure.	
Challenges going forward: The ongoing effects of continuing devaluations in property values from the general recession.				

Council Controlled Organisation Initiatives		Measure		SC
New Measure: Engage in successful commercial transactions		To return funds to the Community		
Result 2009/10: Dividend amount \$510,720	Target 2010/11: Dividend amount \$510,000	Result 2010/11: Dividend amount \$521,000	Achieved - Comments: Achieved target in spite of the difficult trading conditions.	
Challenges going forward: The continuing difficult trading conditions for all of our customers as a result of the general recession.				

Council Controlled Organisation Initiatives		Measure		SC
Maximise availability of assets		Number of days closed attributable to FNHL		
Result 2009/10: 0	Target 2010/11: 0	Result 2010/11: 0	Achieved No assets have been closed to public use, other than for short time periods due to planned routine maintenance.	
Challenges going forward: Several maritime assets are reaching the end of their effective useful life and decisions on their future replacement are required.				

Council Controlled Organisation Initiatives		Measure		SC
Effective financial management		Clean audit sign off each year		
Result 2009/10: Achieved	Target 2010/11: Achieve clean sign off	Result 2010/11: Achieved	Achieved - Comments: By application of strict and consistent financial management practices.	
Challenges going forward: Rapid changes in regulatory and reporting environment requirements.				

Council Controlled Organisation Initiatives		Measure		SC
Improve water quality adjacent to maritime facilities (note: no agreed water quality measure currently available)		No NRC abatement notices for water quality		
Result 2009/10: 0	Target 2010/11: 0	Result 2010/11: 0	Achieved - Comments: Achieved, and also achieved "Clean Marina Certification" status for Opuia Marina. An abatement notice was issued to the Company, as managers of the facility, for the Mill Bay Boat Grid, and the facility was subsequently removed.	
Challenges going forward: To maintain this standard whilst under increased monitoring pressure.				

Council Controlled Organisation Initiatives		Measure		SC
Maintain a safe workplace		Reportable staff OSH incidents		
Result 2009/10: 0	Target 2010/11: 0	Result 2010/11: 0	Achieved - Comments: During the period FHNHL experienced only minor staff related OSH incidents, none of which required reporting to OSH.	
Challenges going forward: To maintain the standard.				



Symbols used to identify each measure contributing to community outcomes

SC Services that support Communities

Council Controlled Organisation Initiatives Develop and improve Bay of Islands Airport		Measure CAA Certification		SC
Result 2009/10: Achieved	Target 2010/11: Maintain Certification	Result 2010/11: Achieved	Achieved - Comments: Continuing review, updating and application of maintenance and operating procedures.	
Challenges going forward: The lack of resources in other emergency services to participate in certification procedures.				
Council Controlled Organisation Initiatives Effective Financial Management		Measure Annual operating Profit to exceed \$800,000		SC
Result 2009/10: \$1.021m	Target 2010/11: \$1.000m	Result 2010/11: \$1.043m	Achieved - Comments: Achieved target in difficult trading times.	
Challenges going forward: New baseline is to be established due to the return of assets to the shareholders.				
Council Controlled Organisation Initiatives To return funds to the Community		Measure 50% of operating profits distributed to Shareholders		SC
Result 2009/10: 50%	Target 2010/11: 50% Dividend Amount \$.510m	Result 2010/11: 50% Dividend Amount \$.521m	Achieved - Comments: Maintained growth in value of FNHL to the shareholder.	
Challenges going forward: To maintain cash flows to ensure sufficient for both dividends and resources for growth.				
Council Controlled Organisation Initiatives To grow Communities equity in the business		Measure Shareholders Equity >\$40.0m		SC
Result 2009/10: \$38.114m	Target 2010/11: \$42.0m	Result 2010/11: \$32.7m	Not Achieved - Comments: Shareholders funds reduced by special dividend to FNDC of \$5.201m.	
Challenges going forward: On going effects of continuing devaluations in property values from the general recession. A new baseline is to be established.				
Council Controlled Organisation Initiatives To achieve a return on funds invested		Measure Return on Investment (ROI) is higher than cost of borrowing : <i>Average cost of borrowings</i>		SC
Result 2009/10: 6.89%	Target 2010/11: 7.33%	Result 2010/11: 6.59%	Not Achieved - Comments: Borrowings costs have been reduced by taking advantage of short term rates.	
Challenges going forward: Expecting increases in borrowing costs in future periods, challenge to manage to minimise profit effect				
Council Controlled Organisation Initiatives To achieve a return on funds invested		Measure Return on Investment (ROI): <i>On Shareholder equity (as calculated per the Statement of Intent)</i>		SC
Result 2009/10: 7.89%	Target 2010/11: N/A	Result 2010/11: 7.98%	Comments: Able to retain trading profit in period against national trends, resulting in better return on shareholders funds.	
Challenges going forward: The transfer of the special dividend assets to FNDC will reduce income base and profits, which will see a drop in the ROI in future periods				



Symbols used to identify each measure contributing to community outcomes

SC Services that support Communities

Council Controlled Organisation Initiatives		Measure		SC
Asset growth and development		Capital Expenditure		
Result 2009/10: \$1.316m	Target 2010/11: 0.569	Result 2010/11: \$1.901m	Achieved - Comments: Completed purchase of Williams Road from Fire Service, and sale of Selwyn Road Car park, completed retail facilities at Opuā Wharf and received resource consent for Paihia Waterfront Development.	
Challenges going forward: The future lack of capital (retained cash flow) to invest in new projects will require alternative funding arrangements in the future.				

Council Controlled Organisation Initiatives		Measure		SC
Maximise availability of assets		Divest non strategic Business and Assets		
Comments: Sold the 50% interest in Paihia Maritime Properties, entered into agreement for sale of a portion of Cobham Road site, transferred community assets to Council as a special dividend.				
Challenges going forward: Remaining assets continued ownerships by the Company being reviewed by the Board of Directors				

Council Controlled Organisation Initiatives		Measure		SC
Develop and improve airports		Kerikeri Airport – Passenger Numbers from scheduled aircraft landings		
Result 2009/10: 61,786	Target 2010/11: 62,000	Result 2010/11: 65,074 passenger numbers (pax)	Achieved - Comments: Continued upgrade of facilities at terminal for customs clearances, and tenants.	
Challenges going forward: Capital cost to upgrade/maintain the runway, against traffic volume and revenue being earned				

Council Controlled Organisation Initiatives		Measure		SC
Develop and improve airports		Kaitiā Airport – Passenger Numbers from scheduled aircraft landings		
Result 2009/10: N/A	Target 2010/11: N/A	Result 2010/11: 14,850 pax	Comments: Estimated result for 2010/11. Taxi upgrade completed and work commenced on touch down area.	
Challenges going forward: Subject to a Treaty of Waitangi claim.				

Council Controlled Organisation Initiatives		Measure		SC
Operate maritime facilities		Number of cruise vessels, passengers and crew visiting Bay of Islands		
Result 2009/10: 29 vessels	Target 2010/11: 34 vessels	Result 2010/11: 34 vessels	Achieved - Comments: Passenger transfers through the Waitangi facility coped well.	
Result 2009/10: 34,674 pax	Target 2010/11: N/A	Result 2010/11: 43,000 pax	Comments: Cruise vessel passengers (pax) visiting the Bay of Islands.	
Result 2009/10: 10,000 pax	Target 2010/11: N/A	Result 2010/11: 20,000 pax	Comments: Cruise vessel crew visiting the Bay of Islands.	
Challenges going forward: Increased number of vessels and double up of large vessels in port will place pressure on all facilities at certain times.				

Council Controlled Organisation Initiatives		Measure		SC
Operate maritime facilities		Number of Overseas yachts and Port of entry		
Result 2009/10: 435	Target 2010/11: N/A	Result 2010/11: 443	Comments: Have retained Opuā as the major entry port against competition from other ports.	
Challenges going forward: To continue to achieve this level of entries, and stay over periods, whilst berthage and ancillary services are at full capacity whilst other operators to the South have surplus capacity				

