

STAFF REPORT

TO: Chair and Members, Corporate Services Committee
FROM: Corporate Services Manager
DATE: 26 March 2011
SUBJECT: Nelson Airport Ltd Constitution – RFN11-04-01

Purpose

To consider amending the Constitution of Nelson Airport Ltd to remove the requirement that the Council-appointed director must be either an employee or elected member of the Council.

Background/Discussion

At the 25 March 2011 meeting of the Joint Shareholders Committee members considered a Nelson City Council report (attached) seeking to amend the constitution of Nelson Airport Ltd.

At the meeting the following resolution was passed:

“That clause 16.2(a) of the Nelson Airport constitution be amended to provide as follows:

(a) The Nelson City Council shall be entitled to appoint and remove one director in accordance with the provisions of Section 57 of the Local Government Act 2002 at any time by resolution or notice in writing and signed by an authorised officer of the Nelson City Council, addressed to the company (“the NCC Director”);

AND THAT Clause 16.2(b) of the Nelson Airport Constitution be amended to provide as follows

(b) The Tasman District Council shall be entitled to appoint and remove one director in accordance with the provisions of Section 57 of the Local Government Act 2002 at any time by resolution or notice in writing and signed by an authorised officer of the Tasman District Council, addressed to the company (“the TDC Director”)

AND THAT the constitution be amended accordingly by special resolution of the shareholders in accordance with Clause 13.2 of the Constitution;

AND THAT the Minister of the Crown holding the Kiwi Share on behalf of the Crown be advised of the change.”

Options

Option 1: Accept the recommendation of the Joint Shareholders Committee

This allows Council more flexibility in its appointment of directors and ensures conformity with the provisions of Section 57 of the Local Government Act.

Option 2: Reject the recommendation

The status quo would remain although Council would not necessarily be complying with Section 57 of the Local Government Act.

Significance

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

Recommendation

That report RFN11-04-01 be received by the Corporate Services Committee and clause 16.2(a) of the Nelson Airport constitution be amended to provide as follows:

- (a) The Nelson City Council shall be entitled to appoint and remove one director in accordance with the provisions of Section 57 of the Local Government Act 2002 at any time by resolution or notice in writing and signed by an authorised officer of the Nelson City Council, addressed to the company ("the NCC Director");**

AND THAT Clause 16.2(b) of the Nelson Airport Constitution be amended to provide as follows:

- (b) The Tasman District Council shall be entitled to appoint and remove one director in accordance with the provisions of Section 57 of the Local Government Act 2002 at any time by resolution or notice in writing and signed by an authorised officer of the Tasman District Council, addressed to the company ("the TDC Director");**

AND THAT this resolution be subject to a similar resolution being passed by the Nelson City Council

Murray Staite
Corporate Services Manager