

**FAR NORTH
HOLDINGS LIMITED
PROPOSED
ACTIVITIES
2024-27**

Overview

Far North Holdings Limited (FNHL) is a Council Controlled Trading Organisation that develop and manage assets and commercial trading on behalf of Council. FNHL manage a diverse range of district assets to provide employment, economic, cultural and social outcomes to support the growth in the Far North District.

Key activities

1. Manage, operate and develop commercial, maritime, aviation, housing and infrastructure assets within its ownership in a commercial manner, or under the terms of any management agreement entered into;
2. Plan, facilitate and secure commercial outcomes and investment in its area of influence that support economic growth of the Far North District (the District) for the betterment of the District, in a socially, culturally and environmentally responsible way;
3. Create profits for its Shareholder and improve the Shareholder's asset value.

Objectives

As FNDC's commercial vehicle, FNHL will grow the value of shareholder funds, the return to FNDC over time and actively manage, develop and maintain regional infrastructure and assets. Additionally, we will contribute to the four aspects of well-being in the communities in which we operate (economic, social, environmental and cultural).

We will achieve these objectives by undertaking the following actions:

1. Achieve sustainable, commercial returns from our combined asset portfolio to facilitate dividends to our shareholder;
2. Sustainably manage and maintain core community infrastructure and assets, in a socially and environmentally responsible manner which reflects and accommodates the interests of our stakeholders and communities when we are able to do so;
3. Deliver growth by identifying opportunities for investment and improved profitability, including development of a housing portfolio that helps to address community housing needs and consideration of opportunities proposed by FNDC;
4. Actively manage marine assets & infrastructure, including supporting growth of the Bay of Islands Marina and the associated marine economy, and address climate change and environmental impacts;
5. Continue to develop Ngawha Park to provide employment and skills-based training opportunities for our District and seek to attract value-added manufacturing and processing businesses that will generate further employment opportunities;
6. Be a good employer by doing the right thing by employees; and
7. Using its portfolio: the Bay of Islands Airport, Bay of Islands Marina and Ngawha Park; the company will look to maximise opportunities to attract high quality capital and investment into the region to support FNDC's goal of sustainable prosperity.

Policies relating to ownership and control

Council is the sole shareholder of FNHL and return on investment is by way of annual dividends to FNDC.

Through the annual Statement of Intent, FNDC establishes broad parameters for the company's operations without inhibiting proper commercial management.

Strategic Focus	Objectives	Group Performance Target		
		2024/ 25	2025 / 26	2026/ 27
Financial <i>“Achieve sustainable commercial returns”</i>	Create value for ratepayers by increasing shareholder funds	Grow shareholder funds by > \$5 million Far North Housing Ltd to contribute to the growth in shareholder	Grow shareholder funds by > \$5 million	Grow shareholder funds by > \$5 million
	Ratio of consolidated shareholder funds ¹	Must exceed 50%	Must exceed 50%	Must exceed 50%
	Effective financial management to deliver	Operating profit > \$2.0 million	Operating profit > \$2.5 million	Operating profit > \$3.0 million
	Return profit to FNDC by way of dividend, in line with dividend policy	Dividend payable >\$1.0 million	Dividend payable >\$1.25 million	Dividend payable >\$1.5 million
People <i>“Be a good employer”</i>	To make safety our priority to ensure health, safety and wellbeing of all employees and contractors in the Group	Put in place Health Safety & Wellbeing Objectives	Health Safety & Wellbeing Objectives and identified target areas being	Health Safety & Wellbeing Objectives and identified target areas being actioned
Sustainability <i>“Undertake sustainable investment and management for the benefit of future Generations”</i>	Commit to tangible action to measure climate impact and target reductions based on best practice	Scope requirements for measuring carbon footprint across Far North Holdings and its subsidiaries	Measure carbon footprint for the Ngawha Park in line with generally accepted standards	Measure carbon footprint across the wider business in line with generally accepted standards and prepare an emissions reduction plan
	Achieve and maintain Clean Marina certification	To achieve	To achieve	To achieve

¹ Defined as total equity/ total assets, as reported in the Statement of Financial Position prepared under GAAP (generally accepted accounting practice).

Strategic Focus	Objectives	Group Performance Target		
		2024/ 25	2025 / 26	2026/ 27
Community <i>“Create economic & housing opportunities, with improving engagement and communication</i>	Encourage positive relationships with the community by having transparent engagement policies and monitoring key stakeholder perceptions	Stakeholder perceptions survey	Stakeholder perceptions survey	Stakeholder perceptions survey
	Ngawha Park developed to grow economic and employment opportunities in the Far North	5 businesses based at the Park or incubated within the Innovation Centre	8 businesses based at the Park or incubated within the Innovation Centre	8+ businesses based at the Park or incubated within the Innovation Centre
	Identify opportunities to deliver social housing to meet local needs in partnership with Community Housing Providers (CHP's)	Develop at least 50 housing units	Develop at least 50 housing units (subject to funding availability)	Develop > 50 housing units (subject to funding availability)
	Civil Aviation Authority Certification maintained for the BOI Airport to support regional tourism and business visitors	To achieve	To achieve	To achieve