

Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

Ordinary Meeting of Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee Rārangi Take | Agenda

9:30 am Rāpare, 3 Pāenga-whāwhā 2025

9:30 am Thursday, 3 April 2025

Ngake (16.09), Level 16, Tahiwi

113 The Terrace

Pōneke | Wellington



MEMBERSHIP

Councillor Abdurahman
Councillor Apanowicz
Councillor Brown
Councillor Calvert
Councillor Chung
Deputy Mayor Foon
Councillor Free
Pouiwi Hohaia
Pouiwi Kelly
Councillor Matthews
Councillor McNulty
Councillor O'Neill
Councillor Pannett
Councillor Randle
Councillor Rogers
Mayor Whanau
Councillor Wi Neera
Councillor Young

Have your say!

You can make a short presentation to the Councillors, Committee members, Subcommittee members or Community Board members at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 04-499-4444, emailing public.participation@wcc.govt.nz, or writing to Democracy Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number, and the issue you would like to talk about. All Council and committee meetings are livestreamed on our YouTube page. This includes any public participation at the meeting.

AREA OF FOCUS

The Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee has responsibility for:

- 1) Long-term planning and annual planning.
- 2) Financial and non-financial performance oversight in relation to the long-term plan and annual plan.
- 3) Financial oversight.
- 4) Procurement policy.
- 5) Non-strategic asset investment and divestment as provided for through the long-term plan (recommending to Council where matters are not provided for in the long-term plan).
- 6) Council-controlled Organisation oversight and performance.
- 7) Council-controlled Organisation director review and appointments.
- 8) WellingtonNZ oversight and performance.
- 9) Approve asset management plans.

To read the full delegations of this committee, please visit wellington.govt.nz/meetings.

Quorum: 9 members

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1. Meeting Conduct

1.1 Karakia

The Chairperson will open the hui with a karakia.

| | |
|--------------------------------------|--|
| Whakataka te hau ki te uru, | Cease oh winds of the west |
| Whakataka te hau ki te tonga. | and of the south |
| Kia mākinakina ki uta, | Let the bracing breezes flow, |
| Kia mātaratara ki tai. | over the land and the sea. |
| E hī ake ana te atākura. | Let the red-tipped dawn come |
| He tio, he huka, he hauhū. | with a sharpened edge, a touch of frost, |
| Tihei Mauri Ora! | a promise of a glorious day |

At the appropriate time, the following karakia will be read to close the hui.

| | |
|---|---------------------------------------|
| Unuhia, unuhia, unuhia ki te uru tapu nui | Draw on, draw on |
| Kia wātea, kia māmā, te ngākau, te tinana, te wairua | Draw on the supreme sacredness |
| I te ara takatū | To clear, to free the heart, the body |
| Koia rā e Rongo, whakairia ake ki runga | and the spirit of mankind |
| Kia wātea, kia wātea | Oh Rongo, above (symbol of peace) |
| Āe rā, kua wātea! | Let this all be done in unity |

1.2 Apologies

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the hui, where leave of absence has not previously been granted.

1.3 Conflict of Interest Declarations

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

1.4 Confirmation of Minutes

The minutes of the meeting held on 18 March 2025 will be put to the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee for confirmation.

1.5 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows.

Matters Requiring Urgent Attention as Determined by Resolution of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee.

The Chairperson shall state to the hui:

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent hui.

The item may be allowed onto the agenda by resolution of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee.

Minor Matters relating to the General Business of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee.

The Chairperson shall state to the hui that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent hui of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee for further discussion.

1.6 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any hui of the Council or committee that is open to the public. Under Standing Order 31.2 a written, oral, or electronic application to address the hui setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the hui concerned, and subsequently approved by the Chairperson.

Requests for public participation can be sent by email to public.participation@wcc.govt.nz, by post to Democracy Services, Wellington City Council, PO Box 2199, Wellington, or by phone at 04 499 4444 and asking to speak to Democracy Services.

2. General Business

COUNCIL-CONTROLLED ORGANISATION OPERATING MODEL REVIEW

Kōrero taunaki | Summary of considerations

Purpose

1. This report to Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee seeks Council's consideration and input into the Council-controlled Organisation (CCO) Operating Model Review Terms of Reference (TOR).

Strategic Alignment

2. The most relevant community outcomes, strategic approaches, and priorities for this paper include Cultural Wellbeing – a welcoming, diverse and creative city; integrating te ao Māori, nurture and grow our arts sector; Social Wellbeing - a city of healthy and thriving whānau and communities; making our city accessible and inclusive for all, Economic Wellbeing - an innovative business friendly city.

Significance

3. The decision is rated low significance in accordance with schedule 1 of the Council's Significance and Engagement Policy.

Financial considerations

☐ Nil ☒ Budgetary provision in Annual Plan / Long-term Plan ☐ Unbudgeted \$X

Risk

☒ Low ☐ Medium ☐ High ☐ Extreme

4. Overall, this is rated as low risk on the Council's risk framework.

| | |
|------------|--|
| Author | Jamie Crump, Manager CCO Partnerships & Planning |
| Authoriser | Anna Calver, Chief Economic and Engagement Officer |

Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

- 1) **Receive** the information
- 2) **Agree** with the review scope and approach outlined in the attached Terms of Reference (TOR).

Whakarāpopoto | Executive Summary

5. In following a best practice approach, adhering to section 17a of the Local Government Act 2002, and informing a potential input into WCC's next LTP in 2027, Council is looking to commission a review of its CCO operating model. The last such comprehensive review took place in 2012.
6. The purpose of the CCO Operating Model Review is to examine opportunities to improve on the effectiveness and efficiency of WCC's CCOs, to ensure their performance is delivering optimal outcomes to support the Council's vision for the city. The review will seek to review other CCO models in New Zealand and benchmark WCC against these models.
7. Attached is the TOR for the CCO Operating Model Review that this report will initiate.

Takenga mai | Background

8. WCC is facing significant budget pressures due to the need to replace aging infrastructure, strengthen buildings and deal with the impacts of climate change. One of the aims of this review is to take a long-term strategic view and present options on how to best secure a more financially resilient CCO operating model, in a way that's affordable for ratepayers, whilst still ensuring they have access to the social, cultural, economic and environmental benefits and experiences the CCOs provide.
9. Officers will incorporate feedback from the Council into the TOR.
10. The CCO Operating Model Review will consider the following WCC CCOs: Zealandia (Karori Sanctuary Trust), Te Nukuaō Wellington Zoo Trust, Wheako Pōneke Experience Wellington (Wellington Museums Trust), WellingtonNZ (Wellington Regional Economic Development Agency), Wellington Cable Car Limited, the Basin Reserve Trust and Sky Stadium (Wellington Regional Stadium Trust).
11. Wellington Water will not be part of the scope of this review due to it being subject to a separate Government driven process.
12. In terms of a Court Of Appeal Judgement (CA164/04) on 6 September 2005 between the Commissioner of Inland Revenue and the Wellington Regional Stadium Trust, it was established that Sections 5 and 6, Schedules 8 and 9 and Part 5 of the Local Government Act 2002 do not apply to the Wellington Regional Stadium Trust and accordingly the Trust is not a CCO.

13. In recognition of the Council's original investment in the Wellington Regional Stadium Trust and the non-recourse loan from Council to the Trust that was fundamental in the establishment of the Trust and the building of the stadium, the relationship operates as if the Trust was a CCO. This approach is consistent with the Greater Wellington Regional Council's relationship with the Trust.

Kōwhiringa | Options

14. Council can choose from the following options:
- Approve the Terms of Reference
 - Amend the Terms of Reference
 - Do not approve the Terms of Reference

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

15. This report has explicit alignment with Council's strategies and policies and requires that this alignment is adopted by CCOs.

Engagement and Consultation

16. The Board Chairs and CEOs of the following CCO's have been consulted in the development of the TOR for the CCO Operating Model Review: Zealandia (Karori Sanctuary Trust), Te Nukuaō Wellington Zoo Trust, Wheako Pōneke Experience Wellington (Wellington Museums Trust), WellingtonNZ (Wellington Regional Economic Development Agency), Wellington Cable Car Limited, the Basin Reserve Trust and Sky Stadium (Wellington Regional Stadium Trust).

Māori Impact Statement

17. No impacts to our knowledge.

Financial implications

18. This report does not create financial implications for the Council, except as already agreed in the 2024-34 Long-Term Plan.

Legal considerations

19. Not applicable

Risks and mitigations

20. Overall this is rated as low risk on the Council's risk framework.

Disability and accessibility impact

21. Not applicable.

Climate Change impact and considerations

22. Not applicable.

Communications Plan

23. Not applicable

Health and Safety Impact considered

24. Not applicable

Ngā mahinga e whai ake nei | Next actions

25. Council officers will engage in a procurement process to identify an independent consultant to undertake the review.

Attachments

Attachment 1. CCO Operating Model Review_Terms of Reference

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Terms of Reference: Operating Model Review of WCC CCOs

Purpose: “Examine opportunities to improve on the effectiveness and efficiency of our CCOs, to ensure their performance is delivering optimal outcomes to support the Council's vision for the city (Pōneke – the creative capital where people and nature thrives)”

Background

Wellington City Council (WCC)

Organisational Objectives

- WCC's 2024-34 Long-term Plan (LTP) is guided by a vision and commitment that were developed in partnership with the community.
- *Our commitment:* We are committed to Te Tiriti o Waitangi and strong partnerships with mana whenua. Tā kai Here and Te Tiriti o Waitangi lay the foundation for everything that the Council does.
- *Our Council's vision for the city:* Pōneke – the creative capital where people and nature thrive.
- Our vision for Wellington City is based on the vision and outlines what we aim to accomplish for the city. To do this in a very focused way we have developed five Community Outcomes as set out in the Long-term Plan 2024-34.

Underpinning our vision are five intertwined aspirational community outcomes

| | |
|--|---|
| Cultural Wellbeing A welcoming, diverse and creative city | <ul style="list-style-type: none"> ▪ That celebrates and uplifts te ao Māori, and ▪ Champions the arts, ▪ Embracing heritage, creativity, curiosity, and expression of our multi-cultural communities and identities |
| Social Wellbeing A city of healthy and thriving whānau and communities | <ul style="list-style-type: none"> ▪ With strong social connections, ▪ That takes an equity approach to caring for its people, and ▪ Provides awesome, vibrant and diverse places to meet and play |
| Economic Wellbeing An innovative business friendly city | <ul style="list-style-type: none"> ▪ Providing jobs for people ▪ Successfully operating in a dynamic zero-carbon circular economy ▪ With efficient and fit for purpose regulatory processes |
| Urban Form A livable and accessible, compact city | <ul style="list-style-type: none"> ▪ With affordable warm, dry housing, ▪ Zero-carbon transport choices, ▪ Resilient infrastructure fit for growth, and ▪ Proudly visible Māori and multicultural heritage |
| Environmental Wellbeing A city restoring and protecting nature | <ul style="list-style-type: none"> ▪ Providing easy access to nature, ▪ With systems to reduce waste, and ▪ Thriving biodiversity and nature-based solutions in natural and urban environments |

To focus efforts in achieving the Community Outcomes, we've also developed five Strategic Approaches, which we expect to be embedded into everything we do.

Underpinning our vision are five intertwined aspirational community outcomes

| | |
|---|---|
| Integrating te ao Māori | We are building a future where Te Tiriti is honoured through robust relationships with our Tāhaki Here partners and Māori communities. By integrating Māori perspectives and thinking into every aspect of our work, we are maximising positive outcomes for Māori and fostering a more inclusive and equitable society for all. |
| Making our city accessible and inclusive for all | We are creating a future where everyone can effortlessly find information, access our services, and engage in social and economic activities. Accessibility for all – including those with mobility impairments, the neurodiverse, the elderly, children, individuals who are blind or have low vision, the d/Deaf community, non-English speakers, parents with pushchairs, and people with temporary injuries. By removing barriers, we are making inclusivity a reality for everyone. |
| Embedding climate action | We are proactively addressing the effects of climate change with urgency, supporting Wellingtonians to do the same. Through our continued efforts in biodiversity planning, we aim not only to minimise harm but to create positive environmental impacts. By acknowledging and preparing for future climate changes, we are committed to safeguarding and enhancing our environment for generations to come. |
| Engaging our community | We are committed to engaging with Wellingtonians in ways that respect and reflect our diverse cultural contexts, ensuring every community voice is heard. By collaborating with communities to understand their aspirations for Wellington we utilise a variety of methods to enhance the diversity, quality, and accessibility of our engagements. Our decision-making processes are evidence-informed, transparent, and focused on achieving the best outcomes for both current and future generations. |
| Value for money and effective delivery | We are committed to using our resources efficiently and effectively to achieve the best possible outcomes, even within a constrained funding environment. By delivering high-quality, well-managed programmes and projects, we maximise value for our residents and our city. Additionally, we will actively seek innovative funding solutions, including advocating for central government support, to further enhance our initiatives and services. |

Operating Environment

- Wellington is experiencing the impacts of the necessity of seismic strengthening, the aftermath of the global pandemic, issues with our ageing three waters network, climate change and central government job cuts. Dependable and future-proofed infrastructure is expensive, but is a key investment priority for WCC. The biggest challenge for the Council is being realistic about what it can pay for and when. WCC owns a lot of infrastructure that needs maintaining and upgrading – buildings, roads, pipes and more (NB: this isn't a Wellington specific challenge, it is a New Zealand wide local government sector challenge).
- WCC continues to operate in a challenging fiscal environment – resulting in double digit rates rises over the past three years. This is not sustainable in the long-term for the community to bear, even more so given the recent central government job and spending cuts, and cost-of-living crisis.
- The current LTP Amendment process has resulted in WCC proposing to cut back on its capital expenditure to create debt head room after deciding not to sell its share in Wellington International Airport.
- Due to these fiscal constraints WCC is in a difficult position in its ability to increase funding of its Council-Controlled Organisations.

Council Controlled Organisations (CCOs)

- CCOs independently manage some of Council's facilities and deliver services and activities to Wellington residents and visitors to Wellington.
- WCC's CCO and Partnership unit manages the relationships and oversees the performance of CCOs.
- The CCOs that we oversee are: Zealandia (Karori Sanctuary Trust), Te Nukua o Wellington Zoo Trust, Wheako Pōneke Experience Wellington (Wellington Museums Trust), WellingtonNZ (Wellington Regional Economic Development Agency), Wellington Cable Car Limited, the Basin Reserve Trust and Sky Stadium (Wellington Regional Stadium Trust) [NB: while Sky Stadium is not technically a CCO it is treated as one from a relationship perspective.]
- Wellington Regional Economic Development Agency Ltd is jointly owned (80%/20%) by the Wellington City Council and the Greater Wellington Regional Council respectively.
- In terms of a Court Of Appeal Judgement (CA164/04) on 6 September 2005 between the Commissioner of Inland Revenue and the Wellington Regional Stadium Trust, it was established that Sections 5 and 6, Schedules 8 and 9 and Part 5 of the Local Government Act 2002 do not apply to the Wellington Regional Stadium Trust and accordingly the Trust is not a CCO.
- In recognition of the Council's original investment in the Wellington Regional Stadium Trust and the non-recourse loan from Council to the Trust that was fundamental in the establishment of the Trust and the building of the stadium, the relationship operates as if the Trust was a CCO. This approach is consistent with the Greater Wellington Regional Council's relationship with the Trust.
- With the exception of the Wellington Cable Car Limited and Wellington Regional Stadium Trust, WCC owns most assets associated with its CCOs. It also provides operating grants, loans and depreciation. For the most part, therefore, WCC has funding and contracting arrangements in place with these entities, as well as having an ownership role.
- As many of the assets used to deliver services by CCOs are owned by WCC, Council's decisions about when and where to invest are driven by Council priorities and funding, not necessarily the CCO. This provides a key restriction for CCOs that do not own their assets.
- For a summary overview of WCC's CCOs see Appendix 2.
- Our key objectives for CCOs are to ensure their mahi helps WCC deliver its strategic priorities whilst enabling each organisation to succeed. This includes getting greater alignment and collaboration around strategic planning and other work programmes such as Māori, economic, cultural and waste minimisation strategies.

WCC Funding of CCOs

- All CCOs must prepare and adopt a statement of intent (SOI). The purpose of the SOI is to state publicly the activities and intentions of the CCO for the year and the objectives those activities will contribute to. WCC provides direction through the SOI on its expectations of the services a CCO will provide and what it will deliver for the year.
- WCC provides annual operating grants to Zealandia, Wellington Zoo, Experience Wellington, WellingtonNZ and the Basin Reserve. It does not provide operating grants to

the Cable Car or Sky Stadium.

- Some CCOs are more reliant than others on their WCC operating grants. The percentage of a CCOs total operating funding that a WCC operating grant provides is approximately as follows: Zealandia (18%), WellingtonNZ (42%), Wellington Zoo (44%), Basin Reserve (65%), Experience Wellington (75%).

Current CCO Operating context / trading environment

- *The macro-economic environment remains tough for Wellington:* with rising unemployment due to central government job and spending cuts, a cost-of-living crisis. Additionally, working from home trends, an increase of young people moving offshore, inflationary pressures, stagnant GDP growth, decline in discretionary income and a lack of sector diversity in Wellington's economy are impacting on the business operating environment and vibrancy of Wellington.
- *Cost Escalation:* Cost pressures continue to be a challenge for CCOs. This was acknowledged through the annual plan operating grant funding review and living wage assistance support for CCOs. Cost pressures however remain - particularly staff remuneration. CCOs like the Zoo who have a high proportion of fixed costs have found this extremely challenging.
- *Wellingtonians Perceptions of Wellington: Still a great place to be - but we've got work to do:* The latest Quality of Life survey (conducted between 23 April and 1 August 2024) questioned approximately 7,000 New Zealanders about their perceptions of life in eight centres – Auckland, Hamilton, Waikato, Tauranga, Wellington, Hutt City, Porirua, Christchurch and Dunedin. For Wellington:
 - 70% of residents rate it highly as a place to live despite the challenges posed by broader social and economic pressures
 - Almost half of Wellingtonians consider housing affordability to be a problem, mirroring a nationwide trend. Other major concerns expressed by Wellingtonians include a failure to invest in infrastructure, dissatisfaction with government/local government, the high cost of living and homelessness.
 - While nighttime safety in the CBD remains stable, daytime safety perceptions have declined.
 - 48% of Wellingtonians said they lacked confidence in council decision-making compared with 32% who were happy with that same decision-making.
 - A majority (80%, compared with the average 69%) felt they were accepted and valued in the community, while Wellington ranked first for trust in the police, scientists, public education and public health.
 - Taking in all 8 areas covered by the survey fewer people — 77% — felt positively about their quality of life in 2024, down from 83% in 2022 and 87% in 2020.
- *Domestic tourism is strong, however international visitation is down:*
 - Whilst Wellington visitor nights and hotel occupancy are up 5% and 3% YOY respectively, International and Australian visitor arrivals into Wellington International Airport are down 14% and 11% YOY (Oct-Dec 2024 v Oct-Dec 2023).
 - Consumer spending in Wellington has been supported by 4.9% growth in tourism spending over the year to December 2024.
 - Major events continue to be a significant contributor to Wellington's tourism sector, making an important spending contribution to downtown retail and hospitality

businesses (e.g. the 2024 season of the World of Wearable Arts (WOW) contributed more than \$30m to the local economy).

- A 25% drop in cruise ship numbers year-on-year (FY 23/24 v FY 24/25) is having an impact on visitation and revenue for some of our tourism related CCOs, in particular the Cable Car and Experience Wellington.

CCO Operating Model Review

Review Background

- In following a best practice approach, and as part of Wellington City Council's (WCC) Long-Term Plan 2024-34 discussions, Council is looking to commission a review of its CCO operating model. The last such comprehensive review took place in 2012 (NB: see Appendix 1 for an overview of this review and other CCO reviews that have taken place during the last ten+ years). Much has changed in the Wellington landscape over the past decade, and it is timely to review if our CCO model as it currently stands is still fit for purpose. The review will inform an input into WCC's next LTP in 2027 if required.
- In addition, Section 17A subsection (1) of the Local Government Act 2002 states that:
 - *"a local authority must review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions at such other times as the local authority considers desirable, but not later than 6 years following the last review under subsection 1."*
 - It also goes on to state that:
 - *"a local authority is not required to undertake a review under subsection (1) in relation to the governance, funding, and delivery of any infrastructure, service, or regulatory function—if the local authority is satisfied that the potential benefits of undertaking a review in relation to that infrastructure, service, or regulatory function do not justify the costs of undertaking the review."*
 - *"A review under subsection (1) must consider options for the governance, funding, and delivery of infrastructure, services, and regulatory functions, of a council-controlled organisation of the local authority; or a council-controlled organisation in which the local authority is one of several shareholders."*
- It is important to note that the current CCO operating model isn't broken. It is delivering for Wellington with the majority of CCO KPIs being achieved in recent years post the COVID pandemic. The purpose of the review is to provide an overall review of the effectiveness and efficiency of Council's current CCO model, and identify options for improving the organisational model. The review should look at other CCO models in New Zealand and benchmark WCC against these models.
- WCC is facing significant budget pressures due to the need to replace aging infrastructure, strengthen buildings and deal with the impacts of climate change. One of the aims of this review is to take a long-term strategic view and present options on how to best secure a more financially resilient CCO operating model, in a way that's affordable for ratepayers, whilst still ensuring they have access to the social, cultural, economic and environmental benefits and experiences the CCOs provide.

Review Purpose

- The purpose of the review is to answer the following question:
“Examine opportunities to improve on the effectiveness and efficiency of our CCOs, to ensure their performance is delivering optimal outcomes to support the Council's vision for the city (Pōneke – the creative capital where people and nature thrives)”

Review Scope

- The review has a tight draft scope to ensure focus on considering WCC's CCOs from the following 7 perspectives:
 1. **Strategic alignment** – are our CCOs successfully helping Council achieve its long-term objectives, and how are they performing against Council's expectations?
 2. **Benefit to the City** – are Council and Wellington ratepayers getting value for money for their investment in CCOs? (NB: need to identify the appropriate model to determine the ROI that CCOs provide across Council's 5 community outcomes).
 3. **Governance Structure** – are the services that we're asking our CCOs to deliver still best delivered by CCOs?
 - i. If they are still best delivered by CCOs, do we have the optimal governance structure in place to achieve the desired outcomes? Might a different structure be more beneficial (e.g. a holding company, a management company etc.)? The review should consider the benefits and disadvantages of the current and alternative structure options.
 - ii. If not, what would be the most appropriate model for the service?
 4. **Financial sustainability** – what options are available to ensure our CCOs can achieve greater financial sustainability? This will include reviewing capital funding, the ownership and maintenance of assets, as well as each CCOs financing and revenue models.
 5. **Rationalisation/Amalgamation** – are there any opportunities for rationalisation/amalgamation of our CCOs to improve performance and outcomes?
 6. **Shared Services** - are there any opportunities for shared services to improve efficiencies?
 7. **WCC engagement and support** – aside from providing greater levels of funding, are there any improvements that WCC can make in how it engages with and supports its CCOs efficiently to enable them to deliver on Council's expectations and improve performance?
- Wellington Water will not be part of the scope of this review due to it being subject to a separate Government driven process.

NB: The review should explore/be aware of any upcoming changes in local government policies, laws or frameworks that could influence the review recommendations/considerations.

Review Approach & Timeline

The review will be undertaken as follows:

- **Endorse Terms of Reference (March 2025)**
 - WCC ELT (March 17)
- **CCO Input into Terms of Reference (March 2025)**
 - CCO Input
 - **Step 1:** online survey of CCO CEOs & Chairs to understand the challenges and opportunities for each CCO under the current CCO operating model structure. The survey will also ask for feedback on the draft CCO Operating

Model Review scope (*early March*)

- *Step 2:* Group in-person meeting with CCO CEOs & Chairs to discuss the findings of the survey and feedback on the scope of the CCO Operating Model Review (*March 21st at Te Nukua o Wellington Zoo*)
- *Step 3:* Consider updating the review scope based on CCO feedback
- **Terms of Reference Approved** (April 2025)
 - Terms of reference presented to Councillors at 3 April LTP, Finance & Performance Committee for feedback and sign-off (*April 3*)
- **Appoint Independent Consultant & Review Governance Group** (*April-May 2025*)
 - Appoint independent consultant to conduct the review who has detailed knowledge of council-controlled organisations.
 - The independent consultant will report into a Review Governance Group. The suggested composition of the group is four members made up of: two CCO Board Chairs, the WCC Chief Strategy & Finance Officer and the WCC Chief Economic & Engagement Officer.
- **Deliver Review** (*May – Dec 2025*)
 - Review report to be delivered by end of 2025 for consideration by the new 2025-27 triennium Council following elections in October 2025.

Stakeholders

- The key stakeholders are:
 - Wellington City Councillors
 - WCC Executive Leadership Team
 - Mana Whenua
 - The Boards and Executive Leadership Teams of the Basin Reserve Trust, Karori Sanctuary Trust (trading as Zealandia), Wellington Cable Car Limited, Wellington Museums Trust (trading as Experience Wellington), Wellington Regional Economic Development Agency Ltd (trading as WellingtonNZ), Wellington Regional Stadium Trust (trading as Sky Stadium), Wellington Zoo Trust

APPENDIX 1

Previous CCO Reviews

- A number of CCO reviews have been undertaken over the past twelve years, ranging from reviewing individual CCOs through to taking a portfolio perspective across all of Council's CCOs. The following reviews have been undertaken:
 - **2023: Experience Wellington Operating Model & Funding Review**
 - The purpose of the review was to outline a range of scenarios/options for enabling Experience Wellington to thrive via a sustainable operating and funding model. The review provided a number of recommendations to improve financial sustainability. Many of the recommendations have been implemented or are in the process of being implemented/considered.
 - Independent review conducted by Neil Anderson Consulting
 - **2022: CCO Operational Grant Funding review**
 - The primary focus of the review was to understand if the operational grant funding received from Council was sufficient to achieve current and future expected service deliverables. The findings of the review were incorporated into the funding decisions for the FY22-23 Annual Plan with the Zoo, Experience Wellington and Zealandia receiving uplifts to their operating grants.
 - Independent review conducted by Karen Stolt Consulting
 - **2016: Experience Wellington Governance Review**
 - The focus of this review was to determine if Council should bring the management of the Council museums in house. The review found that there was no evidence for bringing Experience Wellington in house that will result in better outcomes for WCC and ratepayers. Key reasons offered being reduction in third party funding, potential lack of focus and lack of transparency.
 - Review conducted by Barry Turfrey, WCC Council Officer
 - **2013-14: Creation of Wellington Regional Economic Development Agency (WellingtonNZ)**
 - This review resulted in the amalgamation of Positively Wellington Tourism, Positively Wellington Venues, Grow Wellington and WCC's Major Events team, and the creation of a single economic development agency for the Wellington region.
 - **2012: Proposal to create an Eco-City CCO to manage Zealandia, the Zoo, Otari-Wilton's Bush and the Botanic Garden.**
 - Proposed as a solution to ongoing concerns with the sustainability of Zealandia's business model.
 - Based on the analysis of submissions, and the further investigation of the issues faced by Zealandia, Council officers concluded that, the Eco-City model presented more risks than benefits.
 - To position Zealandia well for the future, a refreshed governance and business model was established. The results of this decision are seen clearly today in 2024, with Zealandia now being the most financially sustainable of WCC's CCOs.

- **2012: Comprehensive Review of CCOs**
 - The purpose of this review was two-fold: (part 1) considered Council's CCO governance model and processes, and (part 2) considered the CCOs from a fit for purpose perspective
 - Part 1 (the governance model review) found that Council had in place a sound accountability framework and identified a range of recommendations to build on the existing framework. Most of these recommendations were implemented. The major recommendation that wasn't implemented was the recommendation to not allow Councillors on the boards of CCOs.
 - Part 2 (fit for purpose review) found that the CCOs have generally performed well against their purpose and Councils expectations and that their existing governance structures continue to be appropriate, with the exception of Wellington Waterfront Limited (WWL). As a result of the review WWL was brought back within Council.
 - The review considered a range of alternative governance models for the CCOs as a whole, including bringing all of the activities in-house; consolidating the CCOs within either a holding company or management company type of construct; and the existing approach with individual CCOs. The review concluded that with some minor enhancements the existing model of governance remains appropriate and most likely to deliver the best outcomes for Council.
 - Independent review conducted by Plimmer Consulting
- **2006: Comprehensive Review of CCOs**
 - In 2006, WCC commissioned PriceWaterhouseCoopers (PWC) to review the Council's CCO structure and processes. At that time, that report found - CCOs did not necessarily have a clear view of Council's objectives; some CCOs were operating in a manner that suggested greater autonomy than the Council envisaged; there were opportunities to enhance the appointments and induction processes; the formal documents such as SOI fell short of the documents prepared within central government, as did the reporting documents. The report recommended a number of changes to enhance the:
 - Appointments process and Board inductions.
 - The SOI development and reporting processes and performance measures, along the lines of the requirements applying to state-owned enterprises and Crown entities.
 - CCOPS (the Council's Council Controlled Organisation Performance Subcommittee) with the introduction of an advisory committee and a clearer role for the CCO team.
 - Communications from the Council, and between the Council and CCOs.
 - As result of the review WCC sought to improve the formal processes it had in place to govern the relationship between the Council and its CCOs. A Risk Assurance Audit of the CCO Team in August 2011 found that the structures, systems and processes in place were adequate, and noted that there are some processes in place (such as Letters of Expectations) which exceeded the statutory requirements at the time.

APPENDIX 2

CCO Overview

NB: More detail can be found in each CCOs Statement of Intent and Annual Report.

| CCO | Role | Org. Type | Governance | Asset Ownership | Notes |
|---|---|--|--|--|--|
| Wheako Pōneke Experience Wellington (Wellington Museums Trust) | Operates six primary sites: Capital E, Space Place, City Gallery Wellington, Nairn Street Cottage, Wellington Museum and the Cable Car Museum. | Wholly controlled not for profit charitable Trust CCO | Governed by an independent Board of Trustees appointed by WCC, including one WCC Councillor | Land and buildings utilised by Experience Wellington in their activities are owned by WCC. Exceptions are collection stores which occupy 3rd party leased premises | Set up under a Trust Deed in 1995 (updated in 2007) Space Place is operated under a Memorandum of Understanding with WCC Is also responsible for managing the City's heritage collection and the Plimmer's Ark recovered timbers and in situ at Old Bank Arcade. Receives annual operating and rental grants from WCC. |
| Te Nukua Wellington Zoo (Wellington Zoo Trust) | New Zealand's first Zoo, and Wellington's oldest conservation organisation, caring for animals since 1906. Manages the popular and award winning 13-hectare zoo | Wholly controlled not for profit charitable Trust CCO | Governed by an independent Board of Trustees appointed by WCC, including one WCC Councillor | Land and buildings are owned by WCC. | Set up under a Trust Deed in 2003. Has a Contract for Services with WCC which covers a number of areas, including Strategic direction and operational management of the Zoo, development and maintenance of animal habitats, contribution to conservation, and provision of learning experiences. Is a member of the World Association of Zoos and Aquariums (WAZA) and follow their commitments to excellence in animal welfare and conservation. Receives an annual operating grant from WCC. |
| Basin Reserve Trust | Operates and manages the Basin Reserve – a highly valued public reserve of unique character, recognised as the premier international cricket venue in New Zealand | Jointly controlled (with Cricket Wellington) not for profit charitable Trust CCO | Governed by an independent Board of Trustees - comprised of four members, two elected by WCC (including the Chair) and two by Cricket Wellington | Land and buildings are owned by WCC. | Set up under a Trust Deed in 2003. Day to day operational activities carried out by Cricket Wellington under a management agreement with the Trust. The Old Pavilion Stand is home to the Cricket Wellington offices and the national Cricket Museum, which officially reopened in December 2021. |

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| | | | | | <p>Has a turf services agreement with the Wellington Regional Stadium Trust to ensure that the Basin Reserve outfield, wicket blocks and practice wickets are world class.</p> <p>Receives an annual operating grant from WCC.</p> |
| Wellington Cable Car Limited | Operates Wellington's iconic funicular railway that runs between Lambton Quay and Kelburn | <p>Limited Liability Company</p> <p>Wholly owned CCO. WCC is sole shareholder</p> | Governed by an independent Board of Directors appointed by WCC | <p>Owens all its assets (including buildings and cable cars) out right.</p> <p>Leases the land from WCC.</p> | <p>Established in 1902. Wellington Cable Car Limited (WCCL) was formed on April 2, 1991.</p> <p>Traditionally operates without financial assistance from WCC for day-to-day operations as well as self-funding ongoing maintenance and capital expenditure.</p> |
| Sky Stadium (Wellington Regional Stadium Trust) | The Trust owns, operates and manages Sky Stadium, which provides high-quality facilities for a range of sports. The stadium also hosts a range of musical and cultural sponsored events, it hosts a variety of trade shows plus various community events. | <p>Not for profit charitable Trust. Has two equal settlors WCC and GWRC</p> <p>The Trust isn't technically a CCO, but is treated like one from a relationship perspective</p> | Governed by an independent Board of Trustees appointed by WCC & GWRC, including one Councillor each from WCC & GWRC. | Owens all its assets and land. | <p>The Wellington Regional Stadium Trust was established under a Trust Deed in 1996.</p> <p>The Stadium was built in 1999 and opened in 2000.</p> <p>The overriding requirement of the Trust Deed means that the Trust must generate sufficient profit to repay loans and finance capital expenditure. This was not possible over the three years of challenges created by the pandemic and the full funding of their capex programme will remain beyond the means of the Trust as it faces significant capital expenditure requirements.</p> <p>Sky Stadium is home to the Hurricanes, Wellington Lions and Wellington Phoenix Men.</p> |
| WellingtonNZ (Wellington Regional Development Agency) | <p>Economic development agency supporting economic performance across the Wellington region and markets it as a destination for visitors, migrants and investors.</p> <p>It also promotes major events, runs Wellington City civic venues, and is the owner of Creative HQ.</p> | <p>Jointly owned CCO.</p> <p>Has two shareholders: 80% owned by WCC and 20% by GWRC</p> | Governed by an independent Board of directors appointed by WCC & GWRC, including one Councillor each from WCC & GWRC. | WCC owns and maintains the 6 civic performance venues (Shed 6, TSB Arena, Town Hall, MFC, Opera House, St James Theatre) that WellingtonNZ manages on its behalf | <p>Was established as a joint CCO in 2014. It combined the operations (including the funding) of the following:</p> <p><u>From the Wellington City Council:</u></p> <ul style="list-style-type: none"> • Positively Wellington Tourism • Positively Wellington Venues • Major Events • Destination Wellington <p><u>From the Greater Wellington Regional Council:</u></p> <ul style="list-style-type: none"> • Grow Wellington and its subsidiary, Creative HQ |

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|---|---|--|--|---|---|
| | | | | | <p>WCC has a singular model in how it manages its six civic performance venues. WellingtonNZ manages the venues through its Venues Wellington (VW) business unit, being required to run a commercial operating model due to not receiving an operating grant from the Council.</p> <p>Receives annual tourism and major events operating grants from WCC.</p> |
| Zealandia (Karori Sanctuary Trust) | <p>Manages ongoing conservation and restoration work at Zealandia sanctuary, works with local organisations and community groups to support local biodiversity, provides educational experiences, and connects people to New Zealand's unique natural heritage.</p> | <p>Wholly controlled not for profit charitable Trust CCO</p> | <p>Governed by an independent Board of Trustees with the majority appointed by WCC, including one WCC Councillor</p> | <p>Some of the buildings and assets are owned by the Trust (e.g. Tanglewood House) and others are owned and maintained by WCC (e.g. the Visitors Centre).</p> <p>The land is owned by WCC and leased to the Trust at a peppercorn rate.</p> | <p>Set up under a Trust Deed in 1995 (updated numerous times – most recently in 2023).</p> <p>The world's first fully fenced urban ecosanctuary. Has introduced more than 20 species of native wildlife back into the area.</p> <p>Receives an annual operating grant from WCC.</p> |

DECISION REGISTER UPDATES AND UPCOMING REPORTS

Kōrero taunaki | Summary of considerations

Purpose

1. This report provides an update on which previous decisions have been implemented and which are still outstanding. It also provides a list of items scheduled to be considered at the next two meetings (hui).

Strategic alignment

2. N/A. This report is considered at every ordinary meeting and assists in monitoring progress.

| | |
|------------|--|
| Author | Leteicha Lowry, Senior Democracy Advisor |
| Authoriser | Miriam Taris, Chief Strategy and Finance Officer |

Taunakitanga | Officers' Recommendations

Officers recommend the following motion:

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. Receive the information.

Whakarāpopoto | Executive Summary

Decision register updates

3. A full list of decisions, with a status and staff comments, is available at all times on the Council website. Decisions where work is still in progress, or was completed since the last version of this report can be viewed at this link:
<https://meetings.wellington.govt.nz/your-council/decision-register?UpdatedSinceLastMeeting=true&CommitteeName=K%C5%8Drau+T%C5%8Dt%C5%8Dp%C5%AB+%7C+Long-term+Plan%2C+Finance%2C+and+Performance+Committee%2BP%C5%ABroro+Tahua+%7C+Finance+and+Performance+Committee%2BP%C5%ABroro+Maherehere+%7C+Annual+Plan+%7C+Long-Term+Plan+Committee>
4. If members have questions about specific resolutions, the best place to ask is through the written Q&A process.
5. This body passed 28 resolutions at the last meeting. All 28 are now complete.
6. 31 in progress resolutions were carried forward from previous reports. 9 are now complete and 22 are still in progress.

Upcoming reports

7. The following items are scheduled to go to the next two hui:
8. Rāhina, 28 Pāenga-whāwhā 2025 (Monday, 28 April 2025):
 - Oral Hearings: 2024-34 Long-Term Plan Amendment, 2025-26 Annual Plan, and Local Water Done Well - Water Services Delivery Model (Chief Strategy and Finance Officer).
9. Rāpare, 22 Haratua 2025 (Thursday, 22 May 2025):
 - 2025-26 Annual Plan and Long-Term Plan Amendment - Final Deliberations (Chief Strategy and Finance Officer).
 - Te Toi Mahana Quarterly Report (Chief Infrastructure Officer).
 - 2024-34 Long-Term Plan Quarterly 3 Performance Report (Chief Strategy and Finance Officer).
 - Council-Controlled Organisations Quarterly 3 Reports (Chief Economic and Engagement Officer).
 - Local Water Done Well Water Reform – Final Deliberations (confirmation of delivery model) (Chief Infrastructure Officer).
 - Options for Organics Processing Outcomes (Chief Infrastructure Officer).

Takenga mai | Background

10. The purpose of the decisions register is to ensure that all resolutions are being actioned over time. It does not take the place of performance monitoring or full updates. A resolution could be made to receive a full update report on an item, if desired.
11. Resolutions from relevant decision-making bodies in previous trienniums are also included.
12. Elected members can view public excluded clauses on the Council website:
<https://meetings.wellington.govt.nz/your-council/decision-register>.
13. The upcoming reports list is subject to change on a regular basis.

Attachments

Nil

3. Public Excluded

Recommendation

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

| General subject of the matter to be considered | Reasons for passing this resolution in relation to each matter | Ground(s) under section 48(1) for the passing of this resolution |
|---|--|---|
| 3.1 Council-Controlled Organisation Board Appointment | 7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. | s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7. |

2. Direct officers to consider the release of publicly excluded information that can be publicly released following the hui.