
**FINAL STATEMENTS OF INTENT FOR WELLINGTON
WATERFRONT LIMITED AND WELLINGTON CABLE CAR
LIMITED FOR THE YEAR 2014/15**

1. Purpose of report

To provide the Council with the final 2014/15 Statements of Intent received from Wellington Waterfront Limited (WWL) and Wellington Cable Car Limited (WCCL) in compliance with Local Government Act 2002 and Council reporting requirements.

2. Recommendations

It is recommended that the Council:

1. *Receive the information*
2. *Note that following the Transport and Urban Development Committee meeting 8 April 2014 the Chair wrote to the Council Controlled Organisations requesting changes to be made in their Statements of Intent and that these changes have been included in the final Statements of Intent*
3. *Note that the Transport and Urban Development Committee agreed that in the case of Wellington Waterfront Limited, the Statement of Intent will reflect Wellington Waterfront Limited as a holding company, post the transition of the implementation of the Waterfront Project to the Council*
4. *Agree to approve the following 2014/15 Statements of Intent as outlined below:*
 - a) *Wellington Waterfront Limited*
 - b) *Wellington Cable Car Limited*
5. *Note any issues for the Mayor to raise with the entities covered by this report.*

3. Background

The requirements for Statements of Intent (SOIs) are prescribed in the Local Government Act 2002.

Under the Local Government Act 2002, CCOs are required to submit a draft SOI to the Council by 1 March in the previous financial year. As a matter of good practice, the Council preceded this with a Letter of Expectation, sent to all CCOs in December, which outlined the Council's expectations in respect of the SOIs to be received. This process provided both the Council and the CCOs with an opportunity to fine-tune respective expectations ahead of submitting the final SOI for Council approval prior to the beginning of the 2014/15 financial year.

Officers received the draft SOIs and tabled these at the Transport and Urban Development Committee meeting on 8 April. The report included issues that had been identified in each SOI that were expected to be addressed in the final SOI. The Chair of the Committee then wrote to each CCO, highlighting these issues and requesting that they be addressed in the final SOI.

These final SOIs are included in this report for referral to the Council for its approval. They have come directly to the Council meeting as the timing of Transport and Urban Development Committee meetings meant that it was not feasible for the Committee to consider the final SOIs once re-submitted to officers. As the key accountability document between the Council and the Board of each entity, the approval or support of the SOI is important in confirming the strategic direction and accountability to the Council of each organisation.

4. Entities Covered by this Report

A final Statement of Intent has been received by the following CCOs:

- Wellington Waterfront Limited (Appendix 1)
- Wellington Cable Car Limited (Appendix 2).

Both of these CCOs are now run by boards consisting of Council officers.

5. Issues for the Committee to Consider

5.1 Wellington Waterfront Limited

From 1 July 2014, the management services carried out by WWL under the overview agreement, including aspects of planning, management of day-to-day operations and property development in respect of the Waterfront, will be carried out within Council. The company, however, will remain in order to function as a holding company for Waterfront assets as a bare Trustee. Therefore, WWL will function as a holding company for Waterfront assets.

WWL's 2014/15 SOI notes that the company structure is required to be retained to hold the assets of the Waterfront in trust for Council with respect to the Marine and Coastal Area Act 2011.

The details of the activities of the Waterfront project for 2014/15 are outlined within the Waterfront Development Plan.

Officers have prepared a report to Council that recommends on the basis of the criteria set out in Section 7 of the Local Government Act 2002 that WWL should be exempted from the provisions of the CCO monitoring regime.

Officers recommend that the Council approve Wellington Waterfront's 2014/15 SOI.

5.2 Wellington Cable Car Limited

In its final SOI for 2014/15, WCCL has responded to the points raised by the Transport and Urban Development committee in its letter of 28 April 2014.

In particular, the Company has updated the wording under the trolley bus network and its links to the Economic Development Strategy. It has confirmed that the strategic marketing review planned for 2014/15 will include work around increasing passenger numbers, including students. The Company has also confirmed that it will assist the Council and other stakeholders as required with any collaborative initiatives in relation to cable car lane and/or the cable car precinct research work.

As requested, WCCL has included three years of performance targets. The passenger target for 2014/15 is unchanged from the draft SOI at 1,005,847. The financial forecasts have been updated slightly since the draft SOI. The Company now anticipates a net surplus after tax of \$159k in 2014/15 (was \$166k in the draft SOI), \$219k in 2015/16 and \$199k in 2016/17.

Officers recommend that the Council approve WCCL's 2014/15 SOI.

6. Conclusion

The final SOI for WCCL addresses the key issues requested by the Committee and provide a clear discussion of how the entity contributes towards the Council's outcomes.

In the case of WWL, the final SOI reflects Wellington Waterfront Limited as a holding company, following the transition of the implementation of the Waterfront Project to the Council.

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SUPPORTING INFORMATION

1) Strategic fit / Strategic outcome

These entities and projects support the achievement of a range of outcomes across most strategic areas. CCOs are required to state in their Statements of Intent how they contribute to Council's strategic goals.

2) LTP/Annual Plan reference and long term financial impact

Please refer to the individual comments on each entity.

3) Treaty of Waitangi considerations

This report raises no new treaty considerations. Where appropriate the entities do consult with the Council's Treaty Relations unit, and with the Tenth's Trust, as part of normal operations.

4) Decision-making

This is not a significant decision.

5) Consultation

a) General consultation

Officers outside the CCO team are consulted as relevant and a copy of each entity report will be circulated to the individual entity.

b) Consultation with Maori

See section 3 above.

6) Legal implications

The Council's lawyers have been consulted during the year as part of normal operations. There are no new legal issues raised in this report.

A Statement of Intent is a legal requirement for a CCO under the Local Government Act 2002.

7) Consistency with existing policy

This report is consistent with existing WCC policy.