

---

**MINUTES**

**THURSDAY 1 APRIL 2010**

**9.17AM – 11.09AM**

**Committee Room Two  
Ground Floor, Council Offices  
101 Wakefield Street  
Wellington**

---

**PRESENT:**

Mayor Prendergast (9.17am – 10.32am)  
James Ogden (Chair) (9.17am – 10.32am, 10.32am – 11.09am)  
Councillor Coughlan (9.17am – 10.32am, 10.32am – 11.09am)  
Councillor Foster (9.17am – 10.30am, 10.31am – 10.32am, 10.32am – 11.09am)

**APOLOGIES:**

Mayor Prendergast (for early departure)  
Alan Isaac

**001/10FM APOLOGIES**  
(1215/52/02IM)

**RESOLVED:**

*THAT the Council Controlled Organisation Performance Subcommittee:*

- 1. Accept apologies for absence from Alan Isaac.*
- 2. Accept apologies for early departure from Mayor Prendergast.*

002/10FM **MINUTES FOR CONFIRMATION**  
(1215/52/02/IM)

**Moved Mr Ogden, seconded Councillor Foster, the motion that the minutes of the meetings held on Monday 7 December 2009 be taken as read and confirmed as an accurate record of that meeting.**

**The motion was put and declared CARRIED.**

**RESOLVED:**

*THAT the Council Controlled Organisation Performance Subcommittee:*

1. *Approve the minutes of the meetings held on Monday 7 December 2009 be taken as read and confirmed as an accurate record of that meeting.*

003/10FM **CONFLICT OF INTEREST DECLARATIONS**  
(1215/52/02IM)

**NOTED:**

1. Mayor Prendergast declared a potential conflict of interest in relation to Wellington International Airport Limited.
2. Councillor Coughlan declared a potential conflict of interest in relation to Positively Wellington Tourism.

004/10FM **PUBLIC PARTICIPATION**  
(1215/52/02IM)

**NOTED:**

There was no public participation.

005/10FM **ORDER OF BUSINESS**  
(1215/52/02/IM)

**NOTED:**

The Council Controlled Organisation Performance Subcommittee considered the agenda as follows:

- Report 2: Council Controlled Organisation Presentations – Presentation from Positively Wellington Tourism  
Report 1: Update on Current Issues

- Report 3: Review of the Performance of all Council Controlled Organisations for the Quarter Ended 31 December 2009  
 Report 4: Forward Programme

006/10FM **COUNCIL CONTROLLED ORGANISATION PRESENTATIONS:  
 POSITIVELY WELLINGTON TOURISM (9.18AM – 9.58AM)  
 (1215/52/02/IM) (ORAL REPORT)**

**NOTED:**

David Perks and Glenys Coughlan addressed the Subcommittee on behalf of Positively Wellington Tourism (PWT). They updated the Subcommittee on the following matters:

- The preceding week had been a positive one with the opening of Zealandia and the Carter Observatory.
- Visitor numbers are up for hoteliers. This illustrates the importance of events such as AC/DC that bring visitors to Wellington.
- PWT has a memorandum of understanding with Karori Sanctuary Trust which has been working well. A process is underway to establish a similar memorandum of understanding with Carter Observatory.
- A “Hop on, Hop off” tour bus is expected to be operational by spring.
- The Motorcaravan park has opened on the waterfront. PWT and Wellington Waterfront Ltd are working together to promote the park.
- Domestic marketing is very much based on events and PWT are also continuing their “Spoil Yourself” campaign.
- The main focus for international marketing is currently the Australian market. Early results of the new advertising campaign are encouraging. In a week since the campaign was launched PWT website visits have tripled and bookings through Air New Zealand are up 100%.
- PWT has undertaken deliberate targeting of the Chinese and Indian markets and is working with Tourism New Zealand and the Rugby World Cup team in targeting the European market.
- PWT and Destination Marlborough have opened an iSITE information centre on the Kaitaki Interislander. After two weeks of operation, iSITE has performed beyond expectations.
- Trips to South Africa for PWT staff to train travel agents who specialise in sports travel have been planned. This is in preparation for the sale of tickets for the Rugby World Cup 2011.
- PWT continue to work hard to maintain funding from the Government and Wellington City Council.

007/10FM **UPDATE ON CURRENT ISSUES** (9.58AM – 10.20AM)  
 Report of the Council Controlled Organisation Team.  
 (1215/52/02/IM) (ORAL REPORT)

**NOTED:**

The Council Controlled Organisation Team updated the Subcommittee on the following issues:

- The Service Level Agreement for Capacity is on track to be completed by the end of April 2010. The Council is also looking at engaging Price Waterhouse Coopers to do review work on Capacity. The current forecast capex carry forward is about \$3 million.
- Passenger numbers are down for Wellington Cable Car Limited. This has been attributed to poor weather and the economic downturn. However it is predicted that the opening of Carter Observatory and Zealandia should improve the passenger numbers. A report from a review group looking into the trolley bus network is imminent.
- The Wellington Regional Stadium Trust had a very good Quarter Two performance, and should also have a good Quarter Three. The year to date surplus was well above budget. This surplus has been partly used to make additional loan payments. Court proceedings have been issued against contractors in relation to the roofing and cladding.
- Wellington Museums Trust performed well in the Quarter. Officers are currently working on moving the governance oversight of Carter Observatory to the Museums Trust. The full transition is expected by July 2010.
- The Karori Sanctuary Trust opened the new visitor centre. The Karori Sanctuary Trust Board expects that the visitor numbers will be achieved as indicated in the Business Case.
- The Basin Reserve Trust practice wicket has been completed and is receiving positive feedback.
- Mojo has taken over operations of the café at the Zoo. Visitor numbers for the Zoo are down due to poor weather, but have increased significantly since earlier in the quarter. Officers have received the Zoo draft Statement of Intent. This includes a request for a 3% increase in the annual operating grant.
- St James Theatre Charitable Trust had gone into overdraft with Council approval but is now back in credit. The venues review by the Francis Group has been completed and officers are working through the implications of its recommendations.
- Officers have received the draft Statement of Intent from Wellington Waterfront. This has been used to develop the draft 2010/11 Waterfront Development Plan. A report on the Waterfront Development Plan and a report on the Queens Wharf master plan following on from the Outer T design competition will be coming to the Strategy and Policy Committee on 15 April 2010.

008/10FM **REVIEW OF THE PERFORMANCE OF ALL COUNCIL CONTROLLED ORGANISATIONS FOR THE QUARTER ENDED 31 DECEMBER 2009** (10.20AM – 10.55AM)  
 Report of the Council Controlled Organisation Team.  
 (1215/52/02/IM) (REPORT 3)

**Moved Mr Ogden, seconded Councillor Coughlan the substantive motion, amended as follows:**

Amended recommendation 2 (e):

**Cable car passenger numbers were impacted in the quarter by poor weather; however, passenger numbers over the medium term are likely to be helped by the reopening of Carter Observatory.**

Amended recommendation 2 (f):

The Museums Trust continues to perform well with visitor numbers and revenue targets higher than budget. The Trust offered a range of exhibition and public programmes and celebrated 10 years of Museum of Wellington City and Sea. The transition of Carter to the Museums Trust is progressing as planned **and is expected to be completed by July 2010.**

(Councillor Foster left the meeting at 10.30am.)  
 (Councillor Foster returned to the meeting at 10.31am.)  
 (Mayor Prendergast left the meeting at 10.32am.)  
 (Councillor Foster left the meeting at 10.32am.)  
 (Councillor Foster returned to the meeting at 10.32am.)

**The substantive motion, as amended was put and declared CARRIED.**

**RESOLVED:**

*THAT the Council Controlled Organisation Performance Subcommittee:*

1. *Receive the information*
2. *Recommend that the Strategy and Policy Committee notes the following matters with regard to the second quarter 2009/10 performance of Council Controlled Organisations:*
  - a) *The Basin Reserve Trust has completed the construction of the off-field practice wicket and already received positive feedback and the highest possible rating from the International Cricket Council.*
  - b) *Council officers continue to work with Capacity to finalise the new Service Level Agreement and anticipate having it signed by the end of April 2010.*

- c) *Positively Wellington Tourism received \$1 million additional funding from the Government for its Australia marketing campaign. The campaign has already started and the Australian visitor numbers are performing particularly well.*
  - d) *The St James Theatre Charitable Trust received Council approval to go overdrawn in January but expects to be back in credit before June 2010.*
  - e) ***Cable car passenger numbers were impacted in the quarter by poor weather, however, passenger numbers over the medium term are likely to be helped by the reopening of Carter Observatory.***
  - f) *The Museums Trust continues to perform well with visitor numbers and revenue targets higher than budget. The Trust offered a range of exhibition and public programmes and celebrated 10 years of Museum of Wellington City and Sea. The transition of Carter to the Museums Trust is progressing as planned **and is expected to be completed by July 2010.***
  - g) *The Zoo successfully tendered the catering operations during January and February and announced Mojo as the new operator starting 1 March 2010.*
  - h) *Wellington Regional Stadium Trust had a very good second quarter which included hosting the sell-out All Whites game to secure a place in the Football World Cup. The year-to-date surplus is well above budget and the annual result should also comfortably exceed the original budget.*
  - i) *The Karori Sanctuary Visitor Centre Project continues on time and on budget and it is due to open to the public on 2 April 2010.*
3. *Recommend that the Strategy and Policy Committee notes that the Council Controlled Organisation Performance Subcommittee continues to monitor the Karori Sanctuary Visitor Centre project at the direction of the Strategy and Policy Committee and that, further to the previous Council Controlled Organisation Performance Subcommittee update report on 7 December 2009, the next update report is included within this report.*
  4. *Note that as per the report to Council Controlled Organisation Performance Subcommittee on 7 December 2009, officers continue to monitor the key risks and action any ensuing issues emanating from their ongoing monitoring and any additional risks highlighted by the Financial Healthchecks.*
  5. *Note any other issues for the Chair to raise with the Strategy and Policy Committee in regard to this report.*
  6. *Note any issues for the Chair to raise with the entities covered by this report.*

**NOTED:**

1. The resolutions differed from the recommendations in the officer's report as follows:

The Subcommittee added the words in **bold**.

009/10FM **FORWARD PROGRAMME** (10.55AM – 11.09AM)  
 Report of Ian Clements, Portfolio Leader, Council Controlled Organisations.  
 (1215/52/02/IM) (REPORT 4)

**Moved Mr Ogden, seconded Councillor Foster the substantive motion, amended as follows:**

Amended recommendation 2:

Agree the forward programme attached as Appendix One to the officer's report, amended as follows:

- Remove the presentation from Wellington Waterfront Limited from the meeting in June and replace it with a presentation from St James Theatre Charitable Trust.

**The substantive motion, as amended, was put and declared CARRIED.**

**RESOLVED:**

1. *Receive the information.*
2. *Agree to the forward programme attached as Appendix One to the officer's report, amended as follows:*
  - ***Remove the presentation from Wellington Waterfront Limited from the meeting in June and replace it with a presentation from St James Theatre Charitable Trust.***

**NOTED:**

1. The resolutions differed from the recommendations in the officer's report as follows:

The Subcommittee added the words in **bold**.

The meeting concluded at 11.09am.

Confirmed: \_\_\_\_\_

Chair  
/ /