

**MINUTES**

**FRIDAY 30 APRIL 2010**

**9.23AM – 10.38AM  
10.53AM – 12.34PM**

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

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**PRESENT:**

Mayor Prendergast	(9.23am-10.38am, 10.53am-12.34pm)
James Ogden (Chair)	(9.23am-10.38am, 10.53am-12.34pm)
Councillor Coughlan	(9.23am-10.38am, 10.53am-12.34pm)
Councillor Ritchie	(9.28am-10.38am, 10.53am-10.54am)
Alan Isaac	(9.23am-10.38am, 10.53am-12.34pm)

**APOLOGIES:**

Councillor Foster

**IN ATTENDANCE (DEMOCRATIC SERVICES):**

Keegan Bartlett, Committee Advisor

010/10FM **APOLOGIES**  
(1215/52/02IM)

**Moved by Mr Ogden, seconded Councillor Coughlan, that the Council Controlled Organisation Performance Subcommittee accept apologies for absence from Councillor Foster.**

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

**RESOLVED:**

*THAT the Council Controlled Organisation Performance Subcommittee:*

1. *Accept apologies for absence from Councillor Foster.*

011/10FM **MINUTES FOR CONFIRMATION**  
(1215/52/02/IM)

**Moved Mr Ogden, seconded Councillor Coughlan, the motion that the minutes of the meeting held on Friday 14 December 2007 be taken as read and confirmed as an accurate record of that meeting.**

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

**Moved Mr Ogden, seconded Mayor Prendergast, the motion was the minutes of the meeting held on Thursday 1 April 2010 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 meeting held on Friday 14 December 2007 be taken as read and confirmed as an accurate record of that meeting.*
2. *Approve the minutes of the meeting held on Thursday 1 April 2010 be taken as read and confirmed as an accurate record of that meeting.*

(Councillor Ritchie joined the meeting at 9.28am.)

012/10FM **CONFLICT OF INTEREST DECLARATIONS**  
(1215/52/02IM)

**NOTED:**

1. Mr Isaac declared a potential conflict of interest in relation to the Wellington Regional Stadium Trust.
2. Councillor Coughlan declared a potential conflict of interest in relation to Positively Wellington Tourism.

013/10FM **PUBLIC PARTICIPATION**  
(1215/52/02IM)

**NOTED:**

There was no public participation.

014/10FM **ORDER OF BUSINESS**  
(1215/52/02IM)

**NOTED:**

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

- |           |   |
|-----------|---|
| Report 2: | Council Controlled Organisation Presentations:<br>Wellington Regional Stadium Trust     |
| Report 3: | Council Controlled Organisation Presentations: Karori<br>Sanctuary Trust                |
| Report 1: | Update on Current Issues  |
| Report 4: | Draft Statements of Intent for Council Controlled<br>Organisations for the Year 2010/11 |
| Report 5: | Forward Programme   |

015/10FM **COUNCIL CONTROLLED ORGANISATION** (9.29am-10.08am)  
**PRESENTATIONS: WELLINGTON REGIONAL**  
**STADIUM TRUST**  
 (1215/52/02IM) (ORAL REPORT)

**NOTED:**

Paul Collins, Chair of the Wellington Regional Stadium Trust, and David Gray, Chief Executive of Westpac Stadium, provided the Subcommittee with an update on the activities of the Wellington Regional Stadium Trust and Westpac Stadium. Mr Collins and Mr Gray reported that Westpac Stadium had decreased its debt and increased its liquidity through the previous financial year on the back of a number of successful events. The significant growth in the number of events was particularly felt over the three months to 31 March 2010 with the AC/DC concerts, the Rugby Sevens tournament, Wellington Phoenix A-League games, as well as Cricket and Hurricanes Super 14 games. The Wellington Regional Stadium Trust has also progressed in planning for the Rugby World Cup 2011. Mr Collins and Mr Gray noted that they are currently pursuing action to remedy the weathertightness concerns within the stadium's buildings.

**TABLED**, 'Westpac Stadium', presentation from Paul Collins and David Gray of the Wellington Regional Stadium Trust (labelled 015/10FMA).

016/10FM **COUNCIL CONTROLLED ORGANISATION** (10.10am-10.38am)  
**PRESENTATIONS: KARORI SANCTUARY**  
**TRUST**  
 (1215/52/02IM) (ORAL REPORT)

**NOTED:**

Graeme Mitchell, Board Member, and Nancy McIntosh-Ward, Chief Executive of the Karori Sanctuary Trust, provided the Subcommittee with an update on the activities of the Karori Sanctuary Trust and 'Zealandia'. Mr Mitchell and Ms McIntosh-Ward provided a presentation that noted the significant recognition 'Zealandia' is receiving in tourism media. The Karori Sanctuary Trust has had its first month of operating 'Zealandia' which has delivered more visitors than the same period in 2009. Mr Mitchell and Ms McIntosh-Ward discussed the commercial operation of the café in 'Zealandia' and noted that reservations have already been made for private events and ceremonies. The Karori Sanctuary Trust is heading into the winter season so will be shifting its focus to preparing marketing for the next season.

**TABLED**, 'Presentation to CCOPS by Karori Sanctuary Trust (labelled 016/10FMA).

(The meeting adjourned for morning tea at 10.38am.)

(The meeting reconvened at 10.53am.)

(Mayor Prendergast, Mr Ogden and Mr Isaac, and Councillors Coughlan and Ritchie were present when the meeting reconvened.)

017/10FM **UPDATE ON CURRENT ISSUES** (10.53am-11.10am)  
(1215/52/02IM) (ORAL REPORT)

**NOTED:**

Danny McComb, Acting Business Analyst Team Manager, provided an update on the recent activities of the Council Controlled Organisations.

(Councillor Ritchie left the meeting at 10.54am.)

018/10FM **DRAFT STATEMENTS OF INTENT FOR COUNCIL CONTROLLED ORGANISATIONS FOR THE YEAR 2010/11** (11.10am-12.27pm)

Report of Ian Clements, Portfolio Manager, Council Controlled Organisations, Maree Henwood, Portfolio Manager, Council Controlled Organisations and Natasha Petkovic-Jeremic, Portfolio Manager, Council Controlled Organisations.

(1215/52/02IM)

(REPORT 4)

**Moved by Mr Ogden, seconded Mayor Prendergast, the substantive motion, amended as follows:**

‘THAT the Council Controlled Organisation Performance Subcommittee:

2. Recommend that the Strategy and Policy Committee (SPC) notes that:
  - (b) Relevant Council Controlled Organisations:
    - (i) Outline potential strategies for dealing with the ~~proposed~~ **likely** Government GST increase from 12.5% to 15% **from 1 October 2010.**
    - (ii) Address the Letter of ~~Exception~~ **Expectation** request with respect to what services could be foregone if annual operating grants were reduced by 5%.
  - (c) Basin Reserve Trust:
    - (iv) **Provide information about leveraging the key visitor attractions and the hop on–hop off bus initiative.**

- (f) St James Theatre Trust:
- (ii) Present forecast financial statements for ~~2009/10 to 2011/12~~ **2010/11 to 2012/13**, and work with officers to develop Key Performance Indicators that measure performance against their stated objectives.
- (g) Wellington Cable Car Limited:
- (vi) Provide information about leveraging the key visitor attractions and the hop on–hop off bus initiative.**
- (h) Wellington Museums Trust:
- (vi) Provide information about leveraging the key visitor attractions and the hop on–hop off bus initiative.**
- (j) Wellington Zoo Trust:
- (i) Clearly articulate the strategies in place to increase visitation and in so doing, reduce the Trust’s reliance on Council funding.
- (ii) Discuss strategies to address performance measures which are flat or declining.
- (iii) Provide information about leveraging the key visitor attractions and the hop on–hop off bus initiative.**
- (l) Karori Sanctuary Trust:
- (vi) Provide information about leveraging the key visitor attractions and the hop on–hop off bus initiative.’**

**The amended substantive motion 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 (SPC) notes that:*
  - (a) *the Chair will write to each organisation, on the basis of the officer assessment provided in this cover report and as detailed below, requesting changes for final 2010/11 Statements of Intent for presentation to this Subcommittee at its meeting of 24 June 2010.*

- (b) *Relevant Council Controlled Organisations:*
- (i) *Outline potential strategies for dealing with the **likely** Government GST increase from 12.5% to 15% **from 1 October 2010**.*
  - (ii) *Address the Letter of **Expectation** request with respect to what services could be foregone if annual operating grants were reduced by 5%.*
  - (iii) *Include level of Council subsidy per visitor as a Key Performance Indicator.*
- (c) *Basin Reserve Trust:*
- (i) *Outline additional operational risks that the Trust may face such as loss of funding, insufficient number and type of events, emergence of rival venues, etc. and information about mitigation measures relating to these risks.*
  - (ii) *Outline how the Trust plans to achieve Council's funding at less than 35% of total income.*
  - (iii) *Provide some indications of the plans for the screen replacement in the future.*
  - (iv) **Provide information about leveraging the key visitor attractions and the hop on–hop off bus initiative.**
- (d) *Capacity Infrastructure Services Limited:*
- (i) *Include discussion on having achieved anticipated efficiencies from past investments and ways to achieve further efficiencies.*
  - (ii) *Include some further discussion on climate change and waste minimisation.*
  - (iii) *Set out more detail on the historic return to shareholders from Capacity's business expansion.*
  - (iv) *Clarify that the development of the Company's benchmarking methodology does not replicate work being undertaken elsewhere.*
  - (v) *Provide more detail of the risks that Capacity faces, their probability and impact, and mitigation measures that it has in place.*
  - (vi) *Explain how the realignment of resources will impact the Company and under what circumstances shareholders could be asked for additional funding.*
  - (vii) *Include the agreed wording on Key Performance Indicators reporting, incorporating Service Level Agreement Key Performance Indicators which are not being achieved and those specifically requested to be included.*

(e) *Positively Wellington Tourism:*

- (i) *Include all performance measures regarding the Australian marketing campaign, as agreed at the Strategy and Policy Committee meeting in June 2009.*
- (ii) *Demonstrate how the Trust will achieve its objective to maintain Council funding at less than 50% of total income.*
- (iii) *Include information about reasons for the stagnant trading income.*
- (iv) *Provide information on how the Trust will achieve an increase of 5% in visitor expenditure as it forecasts to increase visitor numbers (except for Australia) by 2% from the previous year's levels.*
- (v) *Define Key Performance Indicators in relation to Zealandia: Karori Sanctuary experience and the Carter Observatory.*
- (vi) *Provide information about leveraging the key visitor attractions and the hop on–hop off bus initiative.*

(f) *St James Theatre Trust:*

- (i) *Detail its proposed activities in relation to climate change action, and waste minimisation and emissions trading legislation.*
- (ii) *Present forecast financial statements for 2010/11 to 2012/13, and work with officers to develop Key Performance Indicators that measure performance against their stated objectives.*

(g) *Wellington Cable Car Limited:*

- (i) *Include strategic discussion of the Company's plans for the Rugby World Cup, improving the visitor experience in the Kelburn precinct, increasing coordination with other Kelburn precinct stakeholders, and the progress of the overhead trolley bus network review work and funding agreement.*
- (ii) *Set out the Company's plans for achieving additional revenue through use of the existing overhead trolley bus network.*
- (iii) *Include further discussion of climate change and waste minimisation.*
- (iv) *Provide some further detail of the Risk and Vulnerability schedule.*
- (v) *Provide further detail on the Cable Car tourism new initiatives Key Performance Indicator.*

- (vi) ***Provide information about leveraging the key visitor attractions and the hop on–hop off bus initiative.***
- (h) *Wellington Museums Trust:*
- (i) *Provide information about the review timeline and updated financial statements for 2010/11.*
  - (ii) *Include more explanation of the City Gallery’s risk rating and forecast visitor numbers.*
  - (iii) *Provide information about new/reviewed strategy and expected Council support relating to Capital E.*
  - (iv) *Provide some further detail of how the Trust and Carter will leverage off the other visitor attractions.*
  - (v) *Include commentary regarding Carter funding from fundraising activities and its future capital programme.*
  - (vi) ***Provide information about leveraging the key visitor attractions and the hop on–hop off bus initiative.***
- (i) *Wellington Waterfront Limited:*
- (i) *Agree performance measures once the final waterfront development plan is approved.*
- (j) *Wellington Zoo Trust:*
- (i) *Clearly articulate the strategies in place to increase visitation and in so doing, reduce the Trust’s reliance on Council funding.*
  - (ii) *Discuss strategies to address performance measures which are flat or declining.*
  - (iii) ***Provide information about leveraging the key visitor attractions and the hop on–hop off bus initiative.***
- (k) *Wellington Regional Stadium Trust:*
- (i) *Note that the Trust will include in its standard reporting an update when it completes the risk management processes identified by Marsh and when it receives the outcome of the energy audit.*
  - (ii) *Include discussion of the Trust’s intention to remedy the current issues with the cladding and roof, regardless of the court proceedings outcome.*

(l) *Karori Sanctuary Trust:*

- (i) *Outline in more detail the mitigation measures relating to the risk of not achieving the visitor and revenue targets.*
- (ii) *Include the key mechanisms and practical implications of the Memorandum of Understanding agreement between Positively Wellington Tourism and Karori Sanctuary Trust.*
- (iii) *Outline how the Trust is going to work closely and leverage off other Council Controlled Organisations e.g. Cable Car and Carter Observatory.*
- (iv) *Include information about monthly reporting in the first year of the operation as requested by Council Controlled Organisation Performance Subcommittee.*
- (v) *Agree to finalise an Asset Management Plan.*
- (vi) ***Provide information about leveraging the key visitor attractions and the hop on–hop off bus initiative.***

**NOTE:**

The resolution differed from the recommendations contained in the officers' report as follows:

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

019/10FM **FORWARD PROGRAMME** (12.27pm-12.34pm)

Report of Ian Clements, Portfolio Manager, Council Controlled Organisations, Maree Henwood, Portfolio Manager, Council Controlled Organisations and Natasha Petkovic-Jeremic, Portfolio Manager, Council Controlled Organisations.

(1215/52/02IM)

(REPORT 5)

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

'Agree to the forward programme ~~attached to this report~~ as follows:

24 June 2010	
3r <sup>d</sup> Quarter CCO Reports 2009/10	Analysis of the third quarter performance of CCOs for 2009/10
Final Statements of Intent for 2010/11	Presentation of final 2010/11 Statements of Intent for approval and recommendation to Strategy and Policy Committee.
CCO Discussion	One or more CCOs invited to discuss current and future issues with the Subcommittee: <ul style="list-style-type: none"> <li>• <b>Wellington Museums Trust, including the Carter Observatory</b></li> </ul>

	<ul style="list-style-type: none"> <li>• St James</li> <li>• Wellington Zoo Trust</li> </ul>
Forward Programme	Subcommittee approval of the CCOPS Forward Programme
28 September 2010	
CCO 2009/10 Annual Reports	Analysis of the annual performance of CCOs for 2009/10
CCO Discussion	One or more CCOs invited to discuss current and future issues with the Subcommittee: <ul style="list-style-type: none"> <li>• WMT</li> <li>• Cable Car'</li> </ul>

The amended substantive motion was put and declared CARRIED.

**RESOLVED:**

*THAT the Council Controlled Organisation Performance Subcommittee:*

1. *Receive the information.*
2. **Agree to the forward programme as follows:**

<i>24 June 2010</i>	
<i>3<sup>rd</sup> Quarter CCO Reports 2009/10</i>	<i>Analysis of the third quarter performance of CCOs for 2009/10</i>
<i>Final Statements of Intent for 2010/11</i>	<i>Presentation of final 2010/11 Statements of Intent for approval and recommendation to Strategy and Policy Committee.</i>
<i>CCO Discussion</i>	<i>One or more CCOs invited to discuss current and future issues with the Subcommittee:</i> <ul style="list-style-type: none"> <li>• <b>Wellington Museums Trust, including the Carter Observatory</b></li> <li>• <i>St James</i></li> <li>• <i>Wellington Zoo Trust</i></li> </ul>
<i>Forward Programme</i>	<i>Subcommittee approval of the CCOPS Forward Programme</i>
<i>28 September 2010</i>	
<i>CCO 2009/10 Annual Reports</i>	<i>Analysis of the annual performance of CCOs for 2009/10</i>
<i>CCO Discussion</i>	<i>One or more CCOs invited to discuss current and future issues with the Subcommittee:</i> <ul style="list-style-type: none"> <li>• <i>WMT</i></li> <li>• <i>Cable Car'</i></li> </ul>

