

MINUTES

MONDAY 13 JUNE 2011

10.34AM – 10.49AM

10.50AM – 12.59PM

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

PRESENT:

Mayor Wade-Brown	(10.34am – 10.49am, 10.50am – 12.59pm)
Councillor Coughlan	(10.34am – 10.49am, 10.50am – 12.59pm)
Councillor Marsh	(10.34am – 10.49am, 10.50am – 12.59pm)
Councillor Ritchie	(10.34am – 10.49am, 10.50am – 12.42pm, 12.44pm – 12.59pm)
Alan Isaac (Chair)	(10.34am – 10.49am, 10.50am – 12.59pm)
Denise Church	(10.34am – 10.49am, 10.50am – 12.59pm)

IN ATTENDANCE:

Councillor Best (10.34am – 10.49am, 10.50am – 12.59pm)

IN ATTENDANCE (DEMOCRATIC SERVICES):

Kirstin Harvey, Team Leader, Committee Services

016/11FM **APOLOGIES**
(1215/52/02/IM)

NOTED:

There were no apologies.

017/11FM **MINUTES FOR CONFIRMATION**
(1215/52/02/IM)

Moved Mr Isaac, seconded Councillor Coughlan, the motion that the Council Controlled Organisation Performance Subcommittee approve the minutes of the meeting held on Monday 11 April, having been circulated, be taken as read and confirmed as an accurate record of those meetings.

The motion was put and declared CARRIED.

RESOLVED:

THAT the Council Controlled Organisation Performance Subcommittee:

- 1. Approve the minutes of the meeting held on Monday 11 April, having been circulated, be taken as read and confirmed as an accurate record of those meetings.*

018/11FM **CONFLICT OF INTEREST DECLARATIONS**
(1215/52/02/IM)

NOTED:

There were no conflicts of interest.

019/10FM **PUBLIC PARTICIPATION**
(1215/52/02/IM)

NOTED:

There was no public participation.

020/10FM **REVIEW OF THE PERFORMANCE OF ALL COUNCIL
CONTROLLED ORGANISATIONS FOR THE QUARTER ENDED
31 MARCH 2011 (10.36AM – 10.49AM)**

Report of Maree Henwood, Portfolio Manager - Council Controlled Organisations,
Natasha Petkovic-Jeremic, Portfolio Manager - Council Controlled
Organisations and Richard Hardie, Portfolio Manager - Council Controlled
Organisations,
(1215/52/02/IM) (REPORT 2)

NOTED:

1. The report was introduced by Natasha who gave a brief overview of the recommendations proposed within the report.

(Councillor Best joined the meeting at 10.49am)

021/10FM **WELLINGTON MUSEUMS TRUST** (10.50AM – 11.19AM)
Oral Report
(1215/52/02/IM) (REPORT 1)

NOTED:

1. Quentin Hay (Chair) and Pat Stuart (CEO) of the Wellington Museums Trust delivered an oral presentation on activity for the 2010/11 year. While lower visitor numbers were recorded for the City Gallery and Carter Observatory, higher visitor numbers were recorded for the Museum, Cable Car and Capital E. Overall KPIs and financial performance are on target. A new strategic plan for 2011/12 and 2012/13 will give renewed focus on core offerings and greater collaboration across the Trust and with other Wellington attractions.

022/10FM **REVIEW OF THE PERFORMANCE OF ALL COUNCIL CONTROLLED ORGANISATIONS FOR THE QUARTER ENDED 31 MARCH 2011** (11.19AM – 11.55AM)
Report of Maree Henwood, Portfolio Manager - Council Controlled Organisations, Natasha Petkovic-Jeremic, Portfolio Manager - Council Controlled Organisations and Richard Hardie, Portfolio Manager - Council Controlled Organisations,
(1215/52/02/IM) (REPORT 2)

Moved Mr Isaac, seconded Mayor Wade-Brown, the substantive motion.

The 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 notes the following matters with regard to the third quarter 2010/11 performance of Council Controlled Organisations:*

- a) *The Basin Reserve Trust confirmed a new naming rights sponsor for a period of three years. The Basin Reserve hosted a very successful nationally televised event, Fill the Basin, which attracted a capacity crowd of nearly 11,000 people and contributed \$500,000 to the Prime Minister's earthquake fund.*
- b) *Year to date, Capacity Infrastructure Services Limited is underspent relative to budget on capex for Wellington City Council. The Company expects a \$1.4m carry forward related to the replacement roof at Carmichael Reservoir and the upgrade work at Moa Point, and for all other projects to be completed by year end.*
- c) *Positively Wellington Tourism, in partnership with a number of city's visitor attractions, implemented the Wellington City Pass which was launched in January and is progressing well. The Trust continues to work closely with Rugby New Zealand 2011 and visitor attractions to ensure Wellington leverages the national activity and investments.*
- d) *Quarter three is typically a quiet period for St James Theatre and Opera House in terms of performance numbers, particularly in a non-festival year, with business picking up in March. The year to date figures for both theatres remain ahead of budget, although numbers for the quarter fell just below expectations.*
- e) *Wellington Cable Car Limited's cable car passenger total for the quarter was 351,455, which was 3% below budget and 1% below the same period in the previous year. A survey has been commissioned to obtain data on passenger trends. Cable car fare income for the quarter was 15% above budget, reflecting the fare increase effective from October 2010 and the seasonal passenger mix.*
- f) *The visitor number total for the Museums Trust in the third quarter was 220,817, slightly below budget of 230,000. Cable Car Museum performed well; however, City Gallery, Carter Observatory and Colonial Cottage visitors were short of their targets. Carter Observatory celebrated its first full year of operation, welcoming over 46,000 visitors and achieving its retail and venue hire targets. Capital E successfully delivered the National Arts Festival for Children presenting the programme to over 42,000 people.*
- g) *Wellington Waterfront Ltd began implementing the recommendations of the Implementation Review passed by the Council on 23 February. The Wharewaka and Taranaki Street public development projects were completed on budget and in*

time for 2011 Waitangi Day celebrations. Steady progress continues on planning and development of the Overseas Passenger Terminal.

- h) Year to date Zoo visitation of 150,976 is ahead of target and last year, although third quarter visitation was impacted by the poor weather on Children's Day. During the quarter, the Zoo had its accreditation visit from the Zoo and Aquarium Association, which went very well.*
- i) Wellington Regional Stadium Trust had a good third quarter, with events including the Sevens and Nitro Circus, and is tracking above its budgeted surplus year to date.*
- j) Wellington International Airport Limited has presented its consolidated annual report for the year ended 31 March 2011. The airport showed good earnings growth and a modest increase in passenger numbers, despite the withdrawal of Pacific Blue from the New Zealand domestic scene and changes to taxation legislation.*
- k) The Karori Sanctuary Trust is currently reviewing its business plan and options going forward in order to address the issue of lower-than-planned visitor numbers and visitor revenues. The visitor numbers were 25,120 for the quarter, 56% below budget of 57,178. Year-to date, 70,839 people have visited ZEALANDIA, well below the year-to-date target of 111,693.*
- l) The Transition Working Group is working steadily towards winding up the St James Theatre Trust on 30 June 2011 and transitioning the operations of that entity fully into Wellington Venues Limited.*

3. Note any other issues for the Chair to raise with the Strategy and Policy Committee in regard to this report.

4. Note any issues for the Chair to raise with the entities covered by this report.

023/10FM FINAL STATEMENTS OF INTENT FOR COUNCIL CONTROLLED ORGANISATIONS FOR THE YEAR 2011/12 (11.55AM – 12.44PM)

Report of Maree Henwood, Portfolio Manager - Council Controlled Organisations, Natasha Petkovic-Jeremic, Portfolio Manager - Council Controlled Organisations and Richard Hardie, Portfolio Manager - Council Controlled Organisations
(1215/52/02/IM) (REPORT 3)

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

THAT the Council Controlled Organisation Performance Subcommittee:

3. Agree to recommend that the Strategy and Policy Committee approve the following 2011/12 Statements of Intent as outlined below:
 - a) Basin Reserve Trust
 - b) Capacity Infrastructure Services Limited
 - c) Positively Wellington Tourism
 - d) Wellington Cable Car Limited
 - e) Wellington Museums Trust
 - ~~f) Wellington Waterfront Limited~~
 - g) Wellington Zoo Trust
 - h) Wellington Regional Stadium Trust

4. **Agree to recommend that Strategy and Policy Committee approve the Wellington Waterfront Limited Statement of Intent subject to:**
 - (a) **Amend the wording on the transition building – Waitangi Park – to acknowledge that design development and fundraising for the project is subject to the result of the Waterfront Framework Review on Council approval;**
 - (b) **Amendment to reflect the external work that Wellington Waterfront Limited will undertake in conjunction with other Regional Territorial Authorities, and**
 - (c) **Any changes that are required arising out of the Council’s Annual Plan deliberations with respect to the Waterfront Development Plan.**

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

RESOLVED:

THAT the Council Controlled Organisation Performance Subcommittee:

1. *Receive the information*

2. *Note that following the last Subcommittee meeting 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. *Agree to recommend that the Strategy and Policy Committee approve the following 2011/12 Statements of Intent as outlined below:*
- i) Basin Reserve Trust*
 - j) Capacity Infrastructure Services Limited*
 - k) Positively Wellington Tourism*
 - l) Wellington Cable Car Limited*
 - m) Wellington Museums Trust*
 - ~~*n) Wellington Waterfront Limited*~~
 - o) Wellington Zoo Trust*
 - p) Wellington Regional Stadium Trust*
4. *Agree to recommend that Strategy and Policy Committee approve the Wellington Waterfront Limited Statement of Intent subject to:*
- a. Amend the wording on the transition building – Waitangi Park – to acknowledge that design development and fundraising for the project is subject to the result of the Waterfront Framework Review on Council approval;*
 - b. Amendment to reflect the external work that Wellington Waterfront Limited will undertake in conjunction with other Regional Territorial Authorities, and*
 - c. Any changes that are required arising out of the Council's Annual Plan deliberations with respect to the Waterfront Development Plan.*
5. *Note that a 2011/12 Statement of Intent had not been received from Wellington Venues Limited at the time of going to print with these documents, but will be circulated separately and without the opportunity for Council Officers to review.*
6. *Note that a 2011/12 Statement of Intent had not been received from Karori Sanctuary Trust at the time of going to print with these documents.*

NOTED:

1. Councillor Ritchie requested her dissenting vote be recorded.

(Councillor Ritchie left the meeting at 12.42pm)

(Councillor Ritchie rejoined the meeting at 12.44pm)

024/10FM **COUNCIL CONTROLLED ORGANISATIONS TEAM FORWARD**
WORK PROGRAMME (12.44PM – 12.45PM)

Report of Maree Henwood, Portfolio Manager - Council Controlled Organisations, Natasha Petkovic-Jeremic, Portfolio Manager - Council Controlled Organisations and Richard Hardie, Portfolio Manager - Council Controlled Organisations.
(1215/52/02/IM) (REPORT 4)

Moved Mr Isaac, seconded Councillor Coughlan, the substantive motion.

The motion was put and declared CARRIED.

RESOLVED:

THAT the Council Controlled Organisation Performance Subcommittee:

- 1. Receive the information*
- 2. Note any issues for the Chair to raise with the Strategy and Policy Committee*
- 3. Note any issues for the Chair to raise with the Council-Controlled Organisations team*

025/10FM **COUNCIL CONTROLLED ORGANISATIONS FORWARD PROGRAMME** (12.45PM – 12.46PM)
Report of Maree Henwood, Portfolio Manager - Council Controlled Organisations, Natasha Petkovic-Jeremic, Portfolio Manager - Council Controlled Organisations and Richard Hardie, Portfolio Manager - Council Controlled Organisations.
(1215/52/02/IM) (REPORT 5)

Moved Mr Isaac, seconded Councillor Coughlan, the substantive motion.

The 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 attached to this report*

026/10FM **FINAL STATEMENTS OF INTENT FOR WELLINGTON VENUES LIMITED FOR THE YEAR 2011/12** (12.46PM – 12.59PM)
Richard Hardie, Portfolio Manager - Council Controlled Organisations.

(1215/52/02/IM)

(REPORT 6)

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

THAT the Council Controlled Organisation Performance Subcommittee:

5. **Agree to recommend that the Strategy and Policy Committee not approve the 2011/12 Interim Statement of Intent from Wellington Venues Limited, and that Wellington Venues Limited be asked to submit a revised interim SOI no later than Monday 20 June 2011 that includes the following:**
 - (a) **A set of Key Performance Indicators with corresponding measurements;**
 - (b) **A full suite of financial documents, including a balance sheet, cash flows and quarterly phasing;**
 - (c) **A review of the financial forecasts for 2012/13 and 2013/14 with a view to achieving a breakeven financial result by the end of 2012/13.**

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

RESOLVED:

THAT the Council Controlled Organisation Performance Subcommittee

1. *Receive the information.*
2. *Note that a draft version of the Statement of Intent for Wellington Venues Limited was not received at the meeting of the Council Controlled Organisations Performance Subcommittee on 11 April 2011.*
3. *Note that a final 2011/12 Statement of Intent had not been received from Wellington Venues Limited at the time of going to print with those of other Council Controlled Organisations, but that it was agreed to be received on Wednesday June 8 and circulated separately.*
4. *Note that Council Officers have not had the opportunity to fully review and comment on the 2011/12 Interim Statement of Intent.*
5. ***Agree to recommend that the Strategy and Policy Committee not approve the 2011/12 Interim Statement of Intent from Wellington Venues Limited, and that Wellington Venues Limited be asked to***

submit a revised interim SOI no later than Monday 20 June 2011 that includes the following:

- (a) A set of Key Performance Indicators with corresponding measurements;*
- (b) A full suite of financial documents, including a balance sheet, cash flows and quarterly phasing;*
- (c) A review of the financial forecasts for 2012/13 and 2013/14 with a view to achieving a breakeven financial result by the end of 2012/13.*

The meeting concluded at 12.59pm.

Confirmed: _____
Chair
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