
MINUTES

MONDAY 17 OCTOBER 2011

1.06PM - 2.53PM

3.08PM - 4.21PM

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

PRESENT:

Mayor Wade-Brown (1.06pm - 1.53pm, 1.57pm - 2.40pm, 2.50pm - 2.53pm, 3.08pm - 3.42pm
3.44pm - 3.52pm)
Denise Church (1.06pm - 2.24pm, 2.28pm - 2.53pm, 3.08pm - 4.21pm)
Alan Isaac (Chair) (1.06pm - 2.53pm, 3.08pm - 4.21pm)
Councillor Marsh (1.06pm - 2.53pm, 3.08pm - 4.21pm)
Councillor Ritchie (1.12pm - 1.21pm, 1.24pm - 1.55pm, 1.56pm - 2.53pm, 3.08pm - 3.34pm)

APOLOGIES:

Councillor Coughlan

DEMOCRATIC SERVICES OFFICER IN ATTENDANCE:

Fiona Dunlop - Committee Advisor

027/11FM **APOLOGIES**
(1215/52/02/IM)

Moved Alan Isaac, seconded Councillor Marsh, the motion that the Council Controlled Organisation Performance Subcommittee receive apologies for absence from Councillor Coughlan.

The motion was put and declared CARRIED.

RESOLVED:

THAT the Council Controlled Organisation Performance Subcommittee:

- 1. Receive apologies for absence from Councillor Coughlan.*

028/11FM **MINUTES FOR CONFIRMATION**
(1215/52/02/IM)

Moved Alan Isaac, seconded Mayor Wade-Brown, the motion that the Council Controlled Organisation Performance Subcommittee approve the minutes of the ordinary meeting held on Monday 13 June 2011, having been circulated, be taken 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 ordinary meeting held on Monday 13 June 2011, having been circulated, be taken as an accurate record of that meeting.*

029/11FM **CONFLICT OF INTEREST DECLARATIONS**
(1215/52/02/IM)

NOTED:

Councillor Marsh declared a conflict of interest regarding Report 1 Review of the 2010/11 Annual Reports and Audited Financial Statements of Council Controlled Organisations as he is a Trustee of Wellington Zoo.

030/11FM **PUBLIC PARTICIPATION**
(1215/52/02/IM)

NOTED:

There was no public participation.

031/11FM **REVIEW OF THE 2010/11 ANNUAL REPORTS AND AUDITED FINANCIAL STATEMENTS OF COUNCIL CONTROLLED ORGANISATIONS** (1.08PM - 2.02PM)

Report of Richard Hardie, Portfolio Manager, Council Controlled Organisations, Maree Henwood, Portfolio Manager, Council Controlled Organisations and Natasha Petkovic-Jeremic, Portfolio Manager, Council Controlled Organisations

(1215/52/02/IM)

(REPORT 1)

(Councillor Ritchie joined the meeting at 1.12pm.)

(Councillor Ritchie left the meeting at 1.21pm.)

(Councillor Ritchie returned to the meeting at 1.24pm.)

(Mayor Wade-Brown left the meeting at 1.53pm.)

(Councillor Ritchie left the meeting at 1.55pm.)

(Councillor Ritchie returned to the meeting at 1.56pm.)
(Mayor Wade-Brown returned to the meeting at 1.57pm.)

NOTED:

The Subcommittee commenced discussion on Report 1. During discussion if was necessary to adjourn the discussion for the Subcommittee to take Report 2 - Council Controlled Organisations Presentations - Capacity Infrastructure Services and Wellington Zoo Trust.

Please see 033/11FM for the decisions on Report 1.

032/11FM **COUNCIL CONTROLLED ORGANISATIONS PRESENTATIONS**

- **CAPACITY INFRASTRUCTURE SERVICES AND WELLINGTON ZOO TRUST** (2.02PM - 3.34PM)
(1215/52/02/IM) (ORAL REPORT)

NOTED:

1. Capacity Infrastructure Services - Peter Allport (Chair) and David Hill (Chief Executive Officer) were in attendance. Mr Hill updated the Subcommittee on the financial and operational performance, key performance indicators, operation highlights, strategic and key issues.

(Denise Church left the meeting at 2.24pm.)
(Denise Church returned to the meeting at 2.28pm.)
(Mayor Wade-Brown left the meeting at 2.40pm.)
(Mayor Wade-Brown returned to the meeting at 2.50pm.)

(The meeting adjourned for afternoon tea at 2.53pm and reconvened at 3.08pm.)

(Mayor Wade-Brown and Councillors Marsh and Ritchie and Alan Isaac and Denise Church were present when the meeting reconvened.)

2. Wellington Zoo Trust - Ross Martin (Chair) and Karen Fifield (CEO) were in attendance. Mr Martin updated the Subcommittee on the many highlights that the Zoo has experienced in the 2010/2011 year. Some of the highlights include the highest number of visitors since 1974, the opening of "The Roost" and the opening of Kamala's.

033/11FM **REVIEW OF THE 2010/11 ANNUAL REPORTS AND AUDITED FINANCIAL STATEMENTS OF COUNCIL CONTROLLED ORGANISATIONS (CONTINUED)** (3.34PM - 4.10PM)

Report of Richard Hardie, Portfolio Manager, Council Controlled Organisations, Maree Henwood, Portfolio Manager, Council Controlled Organisations and Natasha Petkovic-Jeremic, Portfolio Manager, Council Controlled Organisations
(1215/52/02/IM) (REPORT 1)

(Councillor Ritchie left the meeting at 3.34pm.)
(Mayor Wade-Brown left the meeting at 3.42pm.)
(Mayor Wade-Brown returned to the meeting at 3.44pm.)
(Mayor Wade-Brown left the meeting at 3.52pm.)

Moved Alan Isaac, seconded Councillor Marsh, the substantive motion with additions to recommendations 2(a) and 2 (k) as follows:

THAT the Council Controlled Organisation Performance Subcommittee:

- (a) The Basin Reserve Trust had a good year in 2010/11 in terms of number of cricket and other sports events and event days; however, revenue was well below target. The Trust will continue to monitor and implement security strategies to ensure that the Basin Reserve remains safe and accessible to patrons and the public. Issues remain concerning how the remaining deferred maintenance work will be prioritised and funded. **The Trust will continue to engage with Transport New Zealand on plans for roading development around the Basin Reserve, and will bring various options for mitigating any impact on the ground to the Council before any building agreements are signed.**
- (k) While ZEALANDIA has sufficient funding to maintain operations through 2011/12 and into 2012/13 its future viability depends on the success of the strategic actions undertaken and planned by the Trust to improve visitor numbers. The Trust has signalled that it will be seeking operational funding support from a range of sources, including the Council for consideration as part of the 2012/22 Long Term Plan **and that they be requested to supply that by 30 November 2011.**

The substantive motion with the additions to 2(a) and 2(k) 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 note the following matters with regard to the 2010/11 performance of Council Controlled Organisations:*
- (a) *The Basin Reserve Trust had a good year in 2010/11 in terms of number of cricket and other sports events and event days; however, revenue was well below target. The Trust will continue to monitor and implement security strategies to ensure that the Basin Reserve remains safe and accessible to patrons and the public. Issues remain concerning how the remaining deferred maintenance work will be prioritised and funded. **The Trust will continue to engage with Transport New Zealand on plans for roading development around the Basin Reserve, and will bring various options for mitigating any impact on the ground to the Council before any building agreements are signed.***
 - (b) *Capacity delivered most scheduled work for the year, although it was under-budget on Wellington City Council's capital programme. The Company met the majority of its performance targets and continued to make significant progress on unaccounted-for water. Estimated unaccounted-for water in Wellington is now 14% of water supplied, down from 21% three years ago.*
 - (c) *Positively Wellington Tourism has achieved growth in a number of areas within a challenging economic climate. With Christchurch affected by successive earthquakes and traditional long-haul markets struggling, the launch of the large-scale promotional campaign for the Wellington region in Australia was important. Wellington maintained its 24% international market share and opportunities will continue to be explored in the Asian markets.*
 - (d) *Although there was a strong "business as usual" focus to the year, a lot of work was put in to preparations for winding up the St James Theatre Charitable Trust and for operations to transfer to the new Wellington Venues Ltd Council Controlled Organisation.*
 - (e) *At the time of this report going to print, officers had not received Wellington Cable Car Ltd's 2010/11 annual report.*
 - (f) *The Wellington Museums Trust had a successful year, reporting a less than budgeted deficit. It delivered a strong range of exhibitions and events to an audience of 653,344 visitors, with more than 70,000 students attending the Trust's education programmes. Visitor numbers were higher than last year, but lower than target.*
 - (g) *Wellington Venues Ltd began trading on 1 February 2011 managing the operations of the former Wellington Convention*

Centre and the Company worked to get the systems and processes in place for the transition of the St James Charitable Trust operations into the entity on 1 July.

- (h) *Key Wellington Waterfront Ltd projects in 2010/11 included the development of the Wharewaka and Taranaki Street Wharf public space, the Kumutoto toilets and maintenance on the Chaffers Marina. Also, significant planning work was undertaken to develop the Fanzone and related activities on the waterfront as part of Rugby World Cup 2011.*
 - (i) *Wellington Zoo Trust had a very successful year in 2010/11. It increased visitors by 7% over last year to 196,267; this represents the highest level of visitors recorded for the Zoo for at least the last 45 years and was well ahead of its visitor target of 187,810.*
 - (j) *Highlights for the year for Wellington Regional Stadium Trust included that the contract for the IRB International Sevens tournament was secured for Wellington until 2016, the problems with the exterior cladding and the roof at the Stadium were largely resolved, and work scheduled as part of the Rugby World Cup preparations was completed on or ahead of time.*
 - (k) *While ZEALANDIA has sufficient funding to maintain operations through 2011/12 and into 2012/13 its future viability depends on the success of the strategic actions undertaken and planned by the Trust to improve visitor numbers. The Trust has signalled that it will be seeking operational funding support from a range of sources, including the Council for consideration as part of the 2012/22 Long Term Plan **and that they be requested to supply that by 30 November 2011.***
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.*

NOTED:

The resolutions differ from the recommendations in the officer's report as follows:

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

034/11FM **COUNCIL CONTROLLED ORGANISATION TEAM FORWARD
WORK PROGRAMME** (4.10PM - 4.20PM)

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

Moved Alan Isaac, seconded Denise Church, the substantive motion.

The substantive 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.*

NOTED:

The Subcommittee included Governance Structure reviews and potential work in Grow Wellington reporting to its forward work programme.

035/11FM **FORWARD PROGRAMME** (4.20PM - 4.21PM)

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

Moved Alan Isaac, seconded Denise Church, 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 as appendix 1 to the officer's report.*

036/11FM **RESOLUTION TO EXCLUDE THE PUBLIC**
(1215/52/02/IM)

NOTED:

The Subcommittee did not have any issues to raise regarding the 2011/12 first quarter report for Wellington International Airport Limited and did not go into public excluded session.

The meeting concluded at 4.21pm.

Confirmed: _____
Chair
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