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**REVISED FINAL STATEMENTS OF INTENT FOR COUNCIL  
CONTROLLED ORGANISATIONS FOR THE YEAR 2012/13**

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**1. Purpose of report**

To provide the Subcommittee with the revised final 2012/13 Statements of Intent received from Council Controlled Organisations (CCOs) following the finalisation of Wellington City Council's (WCC) Long Term Plan 2012-22 (LTP), in compliance with Local Government Act 2002 and Council reporting requirements.

**2. Recommendations**

It is recommended that the Subcommittee:

1. *Receive the information*
2. *Note that at the Subcommittee meeting on 8 June 2012 the 2012/13 Statements of Intent were approved for the following organisations:*
  - a) *Basin Reserve Trust*
  - b) *Wellington Cable Car Limited*
  - c) *Wellington Museums Trust*
  - d) *Wellington Zoo Trust*
3. *Note that at its meeting on 8 June 2012, the subcommittee agreed to approve the Wellington Regional Stadium Trust 2012/13 Statement of Intent subject to the provision of further detail on the Master Plan business case that has now been received.*
4. *Agree to recommend that the Strategy and Policy Committee approve the following 2012/13 Statements of Intent as outlined below following the finalisation of the Council's Long Term Plan 2012-22:*
  - a) *Capacity*
  - b) *Positively Wellington Venues Limited*
  - c) *Wellington Waterfront Limited*
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.*

### **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 2012/13 financial year.

Officers received the draft SOIs and tabled these at the CCOPS meetings on 12 March and 23 April. This report included issues that had been identified in each SOI that were expected to be addressed in the final SOI. The Chair of the Subcommittee wrote to each CCO, highlighting these issues and requesting that they be addressed in the final SOI, to be submitted to officers by 16 May.

CCOPS, at the meeting on 8 June 2012, reviewed the final SOIs for all the CCOs. The following SOIs were approved and were not required to be referred back to CCOPS:

- a) Basin Reserve Trust
- b) Wellington Cable Car Limited
- c) Wellington Museums Trust
- d) Wellington Zoo Trust

Several CCOs could not finalise financial and operational details for 2012/13 until the outcome of the Council's Long Term Plan (LTP) was known. As a result, CCOPS requested the following CCOs to provide update 2012/13 SOIs once the results of the LTP process were finalised:

- a) Capacity
- b) Positively Wellington Venues Limited

The Wellington Regional Stadium Trust SOI was approved subject to the provision of further detail on the Master Plan business case.

The Local Government Funding Agency (LGFA) finalised and published their SOI in June 2012 in line with statutory requirements. Wellington City Council's role is as an establishment shareholder with an 8% paid up capital shareholding at present.

At the time of the June CCOPS meeting, Wellington Waterfront Ltd (Waterfront or the Company) was in the process of revising its Waterfront Development Plan (WDP) to take into account the impact of the Environment Court's decision on the appeal of District Plan variation 11. The WDP forms the basis of the work programme that informs the Company's SOI. The revised WDP was approved by

the Council's Strategy and Policy Committee on June 12. As such, the subcommittee agree to receive WWL's SOI at their meeting on 15 October.

Following the approval of funding for temporary venue space as a result of the closure of the Town Hall in 2013 for seismic strengthening, Positively Wellington Venues (PWV) is undertaking a seismic assessment of the Shed 6 wharf piles and the TSB Arena. Once the impact of these results have been assessed

These revised final SOIs are included in this report for referral to the Strategy and Policy Committee for its approval. 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 Council of each organisation.

#### **4. Entities Covered by this Report**

An updated Statement of Intent has been received by the following CCOs:

- Capacity Infrastructure Services Ltd
- Positively Wellington Venues
- Wellington Waterfront Ltd

The Wellington Regional Stadium elsewhere has provided further detail on the Master Plan business case.

##### **4.1 Karori Sanctuary Trust**

As a result of the on-going review of Zealandia, officers have not received a statement of intent from the Karori Sanctuary Trust.

#### **5. Issues for the Subcommittee to Consider**

##### **Council Controlled Organisations:**

##### **5.1 Capacity Infrastructure Services Ltd**

As requested, the company has provided updated Schedules 1 and 2 following the approval of the Council's 2012-22 Long Term Plan. There are no material issues arising from these updated documents.

##### **5.2 Positively Wellington Venues Ltd**

At their meeting on 8 June 2012, CCOPS agreed to recommend that the Strategy and Policy Committee approve the Positively Wellington Venues Limited (PWV) 2012/13 Statement of Intent, excluding the new Performing Arts Foundation, noting that a revised version of the Statement of Intent would be necessary following the finalisation of the Long-Term Plan and the confirmation of base line key performance indicators following the company's first year of operation.

Following the confirmation of the Long-Term Plan and the Council's approval of funding to develop a temporary replacement venue while the Town Hall is closed for earthquake strengthening, PWV has presented an updated Statement of Intent for 2012/13.

With respect to providing baseline measures for relevant Key Performance Indicators, the company has separated out the significant performance measurements from those targets used for internal evaluation. Officers note that, following the completion of the company's first year of operation, baseline measures for these KPIs have now been confirmed.

In June 2012 the Council commissioned a review of all CCOs. The results of this review were presented to the Council's Strategy and Policy committee on 8 November, including a number of direct recommendations to PWV. As a result, the company has updated their SOI to reflect the recommendations noted in the review, and have agreed to work collaboratively with WCC to implement the following:

1. Develop a statement of core purpose for PWV activity, supported by KPIs that will enable Council to understand the performance of PWV and the contribution the company makes to the city's outcomes, particularly economic growth;
2. Agree what legacy or other sponsorship support PWV is expected to provide for community organisations or strategic partners;
3. Identify any impacts to the financial position of PWV arising out of recommendation 2. above and review the timeframe in which PWV is expected to breakeven and then deliver surpluses; and
4. Agree performance measures that link into the Council's KPIs.

Officers recommend that CCOPS recommend that the Strategy and Policy Committee approve the revised final 2012/13 SOI from Positively Wellington Venues.

### **5.3 Wellington Waterfront Ltd**

Following the approval of the three-year Waterfront Development Plan (WDP) by SPC on 12 June, Wellington Waterfront Ltd (Waterfront or the Company) has delivered its final 2012/13 SOI. The SOI addresses the following issues requested by CCOPS in April 2012 following a review of WWL's draft SOI:

- A re-forecast the budget from the perspective of no increase to the current management fee to bring the budget in line with the \$1.075m allocation that is in the Long Term Plan. The WDP report that went to SPC on 12 June 2012 articulated how WWL's work programme and budgeted expenditure would be prioritised to work within the current funding arrangements, and the impact both financial and non-financial of projects that do not come to fruition;
- Relevant milestone dates are now provided for 2012/13 projects presented as KPIs;

- With respect to the idea of introducing an events focus into the work programme, WWL notes that at the current time they are set up primarily as a development company and that managing events is not part of their core business. However, they continue to facilitate the development of the infrastructure required to host public events on the waterfront and to work alongside the Council on the promotion of such activities;
- WWL has confirmed that the company has appropriate health and safety policies in place to meet its legal responsibilities covering, as applicable, hazard identification and management, emergency planning, accident reporting and investigation management, contractor management and safe work procedures.

The company's 2012/13 performance targets and other measures have now been aligned with those in the Three Year Waterfront Development Plan that was approved by SPC in June 2012. The SOI also includes a project to refresh and update the company's website which is budgeted for in operational costs.

WWL has presented a 3-year financial forecast that is in line with that presented in the WDP. It shows a significant return on commercial proceeds over the next 3 years, primarily from the development of Sites 9 and 10, and the completion of the Overseas Passenger Terminal (OPT). Officers note that these projects will deliver a significant level of public space improvements to these areas.

Officers recommend that CCOPS recommend that the Strategy and Policy Committee approve Wellington Waterfront Limited's final 2012/13 SOI.

## **6. Conclusion**

The final SOIs address the key issues requested by CCOPS and provide a clear discussion of how each CCO contributes towards Council's outcomes.

Officers will continue to work with the CCOs to ensure that the SOIs continually improve and drive the performance of this important group of entities that provide a range of critical and popular services to the City.

Contact Officers:

*Richard Hardie, Portfolio Manager, Council Controlled Organisations*  
*Warwick Hayes, Portfolio Manager, Council Controlled Organisations*  
*Natasha Petkovic-Jeremic, Portfolio Manager, Council Controlled Organisations*

## 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 covering report that prefaces 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 Trust, as part of normal operations.*

### 4) Decision-making

*This is not a significant decision.*

### 5) Consultation

#### a) General consultation

*A draft of each entity report will be circulated to the individual entity, with comments passed on to the sub-committee as appropriate*

#### 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 CCOs under the Local Government Act 2002.*

### 7) Consistency with existing policy

*This report is consistent with existing WCC policy.*