

REPORT OF COUNCIL CONTROLLED ORGANISATIONS

The Council have established several companies and trusts to assist it in achieving its objectives for the city. By virtue of the fact that we, in some cases jointly with other local authorities, *either* control 50 percent or more of the voting rights of the shareholders, members or controlling body of the entity *or* directly or indirectly appoint 50 percent or more of the directors or trustees, these companies or trusts meet the legal definition of council controlled organisations. This report provides information about their structure, objectives, activities and performance.

Council controlled organisations independently manage Council facilities, deliver significant services and undertake significant developments on behalf of the Wellington community. Where necessary, we provide funding to support their operations and capital investment requirements.

St James Theatre Charitable Trust



Structure

All trustees are appointed by the Council. As at 30 June 2006 they were Geoff Atkinson (Chair), Roger Miller, Simon Jamieson, Councillor Ian McKinnon, Carol Stigley, Patrick Waite and Juliet McKee. The Chief Executive was Celia Walmsley.

Objectives

These are to preserve the St James Theatre and Opera House buildings, to promote them as artistic venues and to promote, generally, the performing arts.

These objectives have been implemented or attained in the year.

The nature and scope of the activities undertaken

These are to:

- preserve the St James Theatre and the Opera House in recognition of their value to the citizens of Wellington
- manage, promote, refurbish and administer the St James Theatre and the Opera House as venues for live performances of cultural and artistic events so as to promote the appreciation of the arts in Wellington
- generally to sponsor, support and promote performing arts in Wellington.

The nature and scope of these activities are consistent with those set out in the Annual Plan.

| Key Performance Indicator | Targets | Actual |
|--|----------------|---|
| Number of performances: | | |
| St James Theatre | 126 | 103 |
| Opera House | 107 | 90 |
| Total number of days utilised: | | |
| St James Theatre | 198 | 170 |
| Opera House | 129 | 97 |
| Average utilisation of seats (total seats sold per performance): | | |
| St James Theatre | 55% | 56% |
| Opera House | 55% | 61% |
| Number of Performance Related Events | 47 | This information was not available at the time this report was being prepared |
| Average spend (excluding tickets) per head per performance (incl. GST) | | |
| St James Theatre | \$1.50- \$3.50 | \$3.92 |
| Opera House | \$0.30- \$1.50 | \$3.28 |
| Average Yield per non performance event (incl. venue rental) | \$2,672 | This information was not available at the time this report was being prepared |

See also Activity 3.1.1: Galleries and museums

Partnership Wellington Trust (trading as Positively Wellington Tourism)



Structure

All trustees are appointed by the Council. As at 30 June 2006 they were Philip Shewell (Chair), Councillor Andy Foster, Kim Wicksteed, Janine Gould, Nicki Stewart, Ian Wells and Jennie Langley. The Chief Executive was Tim Cossar.

Objectives

These are to:

- market and promote Wellington as a tourist destination that in turn contributes to Wellington achieving sustainable economic growth
- enhance the recognition of Wellington as a key and desirable visitor destination
- maximise the city's share of regional consumer spending
- enhance the profile of city businesses, promote strategic alliances and private sector partnerships
- ensure marketing initiatives are focused on the sustainability of Wellington's commercial sector.

These objectives have been implemented or attained in the year.

The nature and scope of the activities undertaken

These are:

- domestic marketing of Wellington as a visitor destination
- international marketing of Wellington and the surrounding regions as a visitor destination
- marketing of Wellington as a conventions and conference destination
- provision of visitor information services
- profiling in particular, Wellington's strengths in art, nationhood, sport and education attractions
- continued development of an ongoing events profile for the city
- downtown retail branding and growth
- managing Wellington's destination profile on the internet
- facilitating development of new tourism and event product
- facilitating development of the Visiting Friends & Relatives (VFR) market
- research and analysis of the tourism industry.

The nature and scope of these activities are consistent with those set out in the Annual Plan.

| Key Performance Indicator | Target | Actual |
|--|--------------|--|
| Regional economic growth for tourism sector. | 8% increase | 16.6% increase (2004 = \$1.4 billion & 2003 ¹ = \$1.2 billion) |
| Number of international visitors (6 months to Dec '05) | 10% increase | 2% |
| Number of domestic visitor nights (year to date May 06) | 3% increase | 6% |
| Number of international visitor nights (year to date May 06) | 10% increase | 1.1% |
| Weekend occupancy growth (year to date May 06) | 3% increase | 5.5% ² |
| Australian visitor night growth (year to date May 06) | 15% increase | -7.3% ³ |

¹ From Tourism Research Council NZ Forecasts. Note 2003 figure is an estimate as Kapiti/Horowhenua was not included in regional statistics until 2004 year. A small allowance must also be made in the Kapiti/Horowhenua data as Horowhenua is not part of Wellington Region

² Note: Hotel occupancy decreased by 2.5%, however total market accommodation capacity increased by 7.97%. Therefore there was a net increase of approximately 5.5%.

³ Note: IVS Australian visitor night performance in the 6 months to Dec 05 indicates a decline of 27.84%. We have discussed this with the Ministry of Tourism and they agree that there is likely to be a data outlier issue with this figure. It would appear that the dramatic growth in Australian visitor nights that occurred in the YE March 05 data was inaccurate.

The Ministry have advised that the visitor number figure is probably more reflective of the market position. This showed a decline of 1.19%. We are still seeking further clarification on this.

See also Activity 4.3.2: Positively Wellington Tourism (Retail) and Activity 4.5.1: Positively Wellington Tourism (Tourism)

Structure

The Wellington Museums Trust (WMT) was established in 1995 to promote and manage the City Gallery Wellington, the Museum of Wellington City & Sea, the Colonial Cottage, Capital E, the Wellington Cable Car Museum, the Plimmer's Ark Restoration project and the New Zealand Cricket Museum.

All trustees are appointed by the Council. As at 30 June 2006, they were Bill Brien (Chair), Councillor Helene Ritchie, Vivienne Beck, Peter Blades and Simon Marsh. The Chief Executive was John Gilberthorpe.

Objectives

These are to contribute to Wellington's community and economic development by generating and delivering heritage, educational, and cultural activities and ensure equitable access to these activities for both residents and visitors.

These objectives have been implemented or attained in the year.

The nature and scope of the activities undertaken

These are to:

- manage the trust facilities, acquire and manage the collections for the benefit of Wellington residents
- establish exhibition programmes and education policies for the trust facilities
- ensure the facilities provided by the trust are complementary to those provided by the Museum of New Zealand Te Papa Tongarewa
- encourage and foster liaison and co-operative activities and related facilities in the Wellington region.

The nature and scope of these activities are consistent with those set out in the Annual Plan.

| Key Performance Indicator | Target | Actual |
|------------------------------------|---------------------|---------|
| <u>Attendance at venues:</u> | | |
| City Gallery | 130,000 | 236,406 |
| Capital E | 85,000 | 93,426 |
| Museum of Wellington City & Sea | 85,000 | 85,435 |
| Plimmer's Ark | 100,000 | 100,229 |
| Colonial Cottage | 4,000 | 2,989 |
| Cable Car Museum | 220,000 | 186,782 |
| New Zealand Cricket Museum | 3,000 | 2,134 |
| Subsidy per customer | \$8.80 ^A | \$7.83 |
| Average retail income per customer | \$1.70 ^B | \$1.55 |

^A Note – targets as stated in the Annual Plan 2005/06 were incorrect. The target and actual stated above describe subsidy per customer including both WCC operational and rental subsidy

^B Note – targets as stated in the Annual Plan 2005/06 were incorrect. The target and actual stated above describe the average retail spend per visitor for only Capital E, City Gallery, and Museum of Wellington City & Sea (excluding Plimmers Ark).

See also Activity 3.1.1: Galleries and museums

Wellington Regional Economic Development Trust (trading as Positively Wellington Business)



Structure

The Trust's activities are funded by the Wellington, Porirua, Hutt and Upper Hutt City Councils and Kapiti Coast District Council. Each makes appointments to the Trust. As at 30 June 2006 they were Ken Douglas (Chair, Porirua), Vaughan Renner (Upper Hutt), Charles Gilmore (Hutt), Gordon Strachan (Kapiti), Councillor John Morrison (Wellington), Rick Christie (Wellington), Emily Loughnan, Bill Osborne, and Murray Bain. The Chief Executive was Philip Lewin.

Objectives

This is to facilitate, promote, foster and develop a dynamic and innovative economy in the Wellington region for the benefit of the people of Wellington Region.

This objective has been implemented or attained in the year.

The nature and scope of the activities undertaken

These are:

- encouraging and assisting in the establishment, retention and development of sustainable, new and existing businesses
- promoting new investments
- developing viable employment opportunities
- marketing business opportunities
- working with local, regional and central government and other providers of services within the Wellington region.

The nature and scope of these activities are consistent with those set out in the Annual Plan.

| Key Performance Indicator | Target | Actual |
|---|------------------------------------|--|
| Gross domestic product (GDP) | No target set | \$15.632 billion |
| Gross domestic product (GDP) per capita* | Above national average | \$33,960 per capita (Region) \$29,967 per capita (NZ) |
| <u>Regional annual economic growth (GDP) by targeted sector:</u> | | |
| Education | Positive growth within each sector | 14.6% |
| ICT | | 7.0% |
| Professional Engineering | | 7.7% |
| Creative and Film | | 3.4% |
| Manufacturing | | 3.2% |
| Biotechnology | | No category within NZ Statistics data |
| <u>Regional annual growth in number of businesses by targeted sector:</u> | | |
| Education | Positive growth within each sector | -0.5% |
| ICT | | 2.2% |
| Professional Engineering | | 3.1% |
| Creative and Film | | 2.7% |
| Manufacturing | | -0.5% |
| Biotechnology | | No category within NZ Statistics data |
| <u>Regional annual growth in number of jobs by targeted sector:</u> | | |
| Education | Positive growth within each sector | -0.3% |
| ICT | | 6.0% |
| Professional Engineering | | 7.3% |
| Creative and Film | | -1.2% |
| Manufacturing | | 2.1% |
| Biotechnology | | No category within NZ Statistics data |

* Using population estimates for 2005. See also Activity 4.4.1 Business support

Wellington Cable Car Limited



Structure

The Council is the 100 percent shareholder in this company and appoints all of the directors. As at 30 June 2006 they were Roger Drummond (Chair), John Rutledge and Jeremy Ward. The General Manager was Brian Brown.

Objectives

To operate the Cable Car as an efficient, reliable and safe transport service

To meet a shareholder objective to retain, on environmental grounds, the trolleybus passenger service in the city and as a result, the need to maintain the trolleybus overhead wiring system to a safe and reliable standard within the limitations set by the level of funding received from Greater Wellington Regional Council

These objectives have been implemented or attained in the year.

The nature and scope of the activities undertaken

These are to:

- maintain the Cable Cars, track, plant, tunnels, bridges, and buildings in accordance with best engineering practice and to meet the certification requirements of Land Transport NZ
- to manage the cable car passenger service to ensure the ongoing safety, appropriate levels of customer service and efficient revenue collection
- manage the maintenance of the trolleybus overhead to ensure that the trolley bus operator receives agreed levels of service, and in order to comply with the relevant regulations and statutes
- continue marketing of the Cable Car in its key target customer sectors, thereby enhancing the value of the business through increased patronage and fare income
- identify options for enhancing the cable car travel experience for both local passengers and tourists, and to work with the Shareholder and the operators of other attractions closely associated with the cable car service, to implement such options.

The nature and scope of these activities are consistent with those set out in the Annual Plan.

| Key Performance Indicator | Target | Actual |
|--|---------|-----------|
| Cable Car passenger numbers | 904,000 | 1,010,664 |
| Cable Car reliability | 100% | 99.9% |
| Percentage of residents who have used the Cable car in the last 12 months. | 30% | 46% |
| Percentage of residents who rate the standard and operational reliability of the cable car as good or very good. | 90% | 91% |

See also Activity 3.1.1: Galleries and museums

Wellington Waterfront Limited (trading as Positively Wellington Waterfront)



Structure

The Council is the 100 percent shareholder in this company and appoints all of the directors. As at 30 June 2006 they were Fran Wilde (Chair), Michael Cashin (Deputy Chair), David Pritchard, David Kernohan, Stephen Kos, Mark Petersen, Councillor Ray Ahipene-Mercer and Alison Timms. The Chief Executive was Ian Pike.

Objectives

This is to act as the implementation manager of the Wellington Waterfront project (formerly Lambton Harbour Development Project). This objective has been implemented or attained in the year.

The nature and scope of the activities to be undertaken

These are to:

- prepare an annual business plan for the waterfront project covering implementation tasks and project operations
- manage day-to-day operations on the waterfront, including cleaning, security and maintenance
- ensure that the waterfront is a vibrant, lively place, featuring a variety of activities and events
- advise the appropriate Council committees on all aspects of waterfront development, including budgets, development phasing, technical information, costs, feasibility and commercial issues
- commission work on detailed designs based on approved performance briefs
- select and appoint designers in consultation with the appropriate units within Council
- market waterfront sites and properties as appropriate to get the best return for the Council (within any constraints imposed by the development plan)
- act as the contract point for anybody interested in a private development project on the waterfront
- negotiate and manage contacts for the design and construction of public space
- negotiate and manage contracts and leases for all building development sites and the refurbishment and re-use of existing buildings.

The nature and scope of these activities are consistent with those set out in the Annual Plan.

| Key Performance Indicator | Target | Actual |
|---|--------|---|
| Percentage of residents visiting the waterfront | 95% | 97% of residents visited the waterfront at least once during the year |
| Percentage of residents satisfied with the waterfront | 80% | 86% (state good or very good) |
| Number of events on the waterfront | 225 | 355 |
| Project timeliness, number of milestones achieved on time | 75% | 79% |

See also Activity 1.3.3: Waterfront



Structure

Wellington and Hutt City Councils are each 50 percent shareholders in this company, which was established on 9 July 2003, and between them appoint all of the directors. The company is overseen by a board of directors made up of four Councillors (two from each council) and two independent directors, appointed jointly by the two councils. Each council continues to own its respective water services assets and to determine the level and standard of services to be provided in its area. As at 30 June 2006 the Councillor appointees were Alick Shaw, Bryan Pepperell (Wellington City Council) and Ray Wallace, Roger Styles (Hutt City Council). The two independent directors were Bryan Jackson (Chair) and Keith Sutton (resigned on 30 June 2006, replaced by Richard Westlake on 1 July 2006). The Chief Executive was David Hill.

Objectives

This is to manage the provision of water services (water supply, sewerage and stormwater) to the residents and businesses in the areas served by Wellington and Hutt City Councils.

This objective has been implemented or attained in the year.

The nature and scope of the activities undertaken

The company's purpose is to provide high quality, safe and environmentally sustainable services to shareholding councils and other customers with a principal focus on asset management planning and contracted service delivery for the operation, maintenance and on-going development of drinking water, stormwater and wastewater assets and services.

The company is committed to ensuring all work managed on behalf of customers accords with the highest standards of health and safety for those involved in the work and for the general public. The company will continually seek opportunities to integrate water, stormwater and wastewater activities within the Wellington region where such integration can deliver least cost, best practice outcomes to the benefit of shareholder councils and other entities.

The nature and scope of these activities are consistent with those set out in the Annual Plan.

| Key Performance Indicator | Target | Actual |
|--|---|--|
| Compliance with existing resource consents | 100% compliance | 100% compliance |
| Percentage of requests for service that are resolved within 15 days. | 85% | 98% |
| Progress against agreed programme of capital works | 90% completed on time 90% completed on budget | The capital works programme was completed on time and within budget. |
| Achieve savings target for the year | Total annual savings + / - 10% of forecast result | Under the service level agreement between Capacity, Hutt City Council and Wellington City Council, a savings model has to be approved by shareholders before savings can be reported. A savings model developed by Capacity is currently under review by the shareholders. |

See also KAA: Resources and waste



Wellington Zoo Trust

Structure

The Wellington Zoo Trust was established on 1 July 2003 and all of the trustees are appointed by the Council. As at 30 June 2006 they were Neale Pitches (Chair), Lee Parkinson, Denise Church, Frances Russell, Phillip Meyer and Councillor Celia Wade-Brown. The Chief Executive position was vacant, as at 30 June 2006. A new Chief Executive Officer is expected to be announced in August 2006.

Objectives

This is to manage the assets and operation of Wellington Zoo.

This objective has been implemented or attained in the year.

The nature and scope of the activities undertaken

These are to:

- manage the Wellington Zoo as a zoological park for the benefit of Wellingtonians and visitors to the city
- educate the community
- support conservation initiatives.

The nature and scope of these activities are consistent with those set out in the Annual Plan.

| Key Performance Indicator | Target | Actual |
|--|------------------|--|
| Number of visitors | 170,000 | 170,116 |
| Number of school visits (attendees) | 14,000 | 14,714 |
| Number of evening camps (attendees) | 3,700 | 3,801 |
| Conservation programme managed species | 30% | 33% |
| Animal Wellbeing – Compliance with Animal Welfare Act requirements | Requirements met | Requirements met |
| Learning outcomes effectiveness | >95% | 100% teachers agree learning was effective |
| Average subsidy per customer | \$13.90 | \$13.89 |
| Average retail income per customer | >\$7.95 | \$8.65 |
| Average income per visitor (excluding WCC grant) | >\$10.00 | \$10.58 |
| Ration of generated Trust income as % of WCC grant | 68% | 76% |

See also Activity 5.1.2 Wellington Zoo biodiversity and Activity 7.1.8: Wellington Zoo Trust

Structure

There are four trustees, of whom two are appointed by the Council and two by Cricket Wellington. As at 30 June 2006 the two trustees appointed by the Council were Councillor John Morrison and Glenn McGovern. The two trustees appointed by Cricket Wellington were Don Neely and Douglas Catley (Chair). The Chief Executive was Ervin McSweeney

Objectives

These are to:

- contribute to the Wellington City Council's vision of Creative Wellington - Innovative Capital by continuing to attract national and international sporting events to Wellington
- manage, administer, plan, develop, maintain, promote and operate the Basin Reserve for recreational activities and for the playing of cricket for the benefit of the inhabitants of Wellington
- establish a long term policy for the further development of the Basin Reserve as a recreational facility and as a facility for the playing of cricket, other sports and as a venue for other community based activities
- operate as a successful undertaking, managed on a not-for-profit basis
- preserve and enhance the significant and recognised heritage value of the Basin Reserve.

These objectives have been implemented or attained during the year.

The nature and scope of activities undertaken

These are to:

- manage and operate the Basin Reverse

| Key Performance Indicator | Target | Actual |
|--|------------|-----------|
| <u>Number of events:</u> | | |
| Cricket | 11 | 15 |
| Other sports | 10 | 8 |
| Other events | 5 | 23 |
| <u>Number of event days:</u> | | |
| Cricket | 33 | 37 |
| Other sports | 10 | 8 |
| Other events | 5 | 23 |
| Cricket surface maintained to international standard | To achieve | Achieved |
| Event income | \$65,000 | \$69,896 |
| Non-event income | \$274,000 | \$274,433 |

Note – The Wellington Regional Stadium Trust is not formally defined as a Council controlled organisation. This report on their activities is presented to recognise the interest that Wellington City ratepayers have in the Trust and its activities.

Wellington Regional Stadium Trust



Structure

All of the trustees are jointly appointed by the Council and Greater Wellington Regional Council (GWRC). As at 30 June 2006 they are Paul Collins (Chair), Peter Biggs, Councillor Chris Laidlaw (GWRC), Michael Egan, John Hunn (term expired on 30 June 2006, replaced by Sir John Anderson on 1 July 2006), Liz Dawson, Councillor Robert Armstrong (WCC) and David Bale. The Chief Executive is David Gray.

Objectives

This is to manage and operate the Wellington Regional (Westpac) Stadium for the benefit of the Wellington region.

This objective has been attained during the year.

The nature and scope of the activities undertaken

These are to:

- own, operate and maintain the stadium as a high quality multi-purpose sporting and cultural venue
- provide quality facilities to be used by rugby, cricket and other sports codes, musical, cultural and other users including sponsors, event and fixture organisers and promoters, so as to attract to the stadium high quality and popular events for the benefit of the public of the region
- administer the Trust assets and the Stadium on a prudent commercial basis so that it is a successful, financially autonomous community asset.

The nature and scope of these activities are consistent with those set out in the Annual Plan.

| Key Performance Indicator | Target | Actual |
|---------------------------|-----------------|-----------------|
| Number of Events | 35 | 37 |
| Number of attendees | No target set | 506,000 |
| Total income | \$14.46 million | \$16.43 million |
| Event Income | \$5.75 million | \$8.00 million |
| Net Surplus (deficit) | \$1.87million | \$2.28 million |