

**REPORT 7**  
*(1215/52/IM)*

**Report of the Council Controlled Organisation  
Performance Subcommittee  
Meeting of Friday 30 April 2010**

**Members: Mayor Prendergast, Councillors Coughlan, Foster and Ritchie, Mr Alan Isaac and Mr James Ogden (Chair)**

**THE COMMITTEE RECOMMENDS:**

1. **DRAFT STATEMENTS OF INTENT FOR COUNCIL CONTROLLED ORGANISATIONS FOR THE YEAR 2010/11**  
*(1215/52/02IM) (REPORT 4)*

*THAT the Strategy and Policy Committee:*

1. *Notes that:*

- (a) *the Chair will write to each organisation, on the basis of the officer assessment provided in the officer's 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.*

**James Ogden**  
**Chair**