

MINUTES

TUESDAY 28 SEPTEMBER 2010

**1.08PM– 2.53PM
2.48PM – 2.51PM (PUBLIC EXCLUDED)**

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

PRESENT:

James Ogden (Chair)	(1.08pm-2.53pm)
Councillor Coughlan	(1.08pm-2.53pm)
Councillor Foster	(1.45pm-2.37pm, 2.38pm-2.49pm)
Councillor Ritchie	(1.08pm-1.10pm, 1.11pm-1.53pm, 2.02pm-2.43pm, 2.45pm-2.46pm)
Alan Isaac	(1.08pm-2.53pm)

APOLOGIES:

Mayor Prendergast
Councillor Ritchie (early departure)

IN ATTENDANCE:

Councillor Wade-Brown: (1.08pm-1.44pm)

IN ATTENDANCE (DEMOCRATIC SERVICES):

Natalie Jacobson, Team Leader-Meeting Support

034/10FM **APOLOGIES**
(1215/52/02/IM)

Moved by Mr Ogden, seconded Councillor Coughlan, that the Council Controlled Organisation Performance Subcommittee accept apologies for absence from Mayor Prendergast, and apologies for an early departure from Councillor Ritchie.

The motion was put and declared CARRIED.

RESOLVED:

THAT the Council Controlled Organisation Performance Subcommittee:

- 1. Accept apologies for absence from Mayor Prendergast*
- 2. Accept apologies for early departure from Councillor Ritchie.*

035/10FM **MINUTES FOR CONFIRMATION**
(1215/52/02/IM)

Moved Mr Ogden seconded Councillor Coughlan, the motion that the minutes of the meeting held on Thursday 24 June 2010, having been circulated, be taken as read and confirmed 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 meeting held on Thursday 24 June 2010, having been circulated, be taken as read and confirmed as an accurate record of that meeting.*

(Councillor Ritchie left the meeting at 1.10pm)

(Councillor Ritchie rejoined the meeting at 1.11pm)

036/10FM **CONFLICT OF INTEREST DECLARATIONS**
(1215/52/02/IM)

NOTED:

1. Councillor Coughlan declared a potential conflict of interest in relation to Positively Wellington Tourism.

2. Councillor Wade-Brown declared a potential conflict of interest in relation to Wellington Zoo Trust.

037/10FM PUBLIC PARTICIPATION

(1215/52/02/IM)

NOTED:

There was no public participation.

038/10FM ORDER OF BUSINESS

(1215/52/02IM)

NOTED:

The Chair advised that the agenda would be considered as follows:

Report 2: Council Controlled Organisations Presentations – Wellington Cable Car Limited, St James Theatre Charitable Trust.

Report 1: Update on Current Issues

Report 3: Review of the Performance of all Council Controlled Organisations for the Year Ended 30 June 2010

039/10FM COUNCIL CONTROLLED ORGANISATIONS PRESENTATIONS

(1215/52/02/IM)

(1.14pm - 2.16pm)

(ORAL REPORT)

NOTED:

Roger Drummond, Chair, and Des Laughton, Chief Executive Officer, from Wellington Cable Car Limited provided an update on the activities and performance of Wellington Cable Car Limited. Passenger use of the Cable Car reduced across all demographic groups over the past twelve months. The Subcommittee discussed the following proposed plans: the introduction of an electric shuttle bus for elderly passengers to transport them from the Kelburn terminus through the Botanic Gardens to Lady Norwood garden; increasing fares (excluding concession rates); and minor upgrades to the Kelburn terminus in preparation for the World Cup.

(Councillor Wade-Brown left the meeting at 1.44pm.)

(Councillor Foster joined the meeting at 1.45pm.)

Chris Parkin, Chair, from St James Theatre Charitable Trust provided an update on the activities and performance of St James Charitable Trust. Mr Parkin reported an “outstanding year”, with a revenue increase of 12%. The Trust is operating at a high capacity with very limited room to expand in relation to additional shows and minor expansion opportunities for food and beverage. Mr Parkin said that the Trust is in “excellent shape” to contribute positively to the merger with the Wellington Convention Centre. Future plans include maintenance under Council’s Asset Management Plan.

(Councillor Ritchie left the meeting at 1.53pm)

Forward bookings are strong and Mr Parkin expects continued growth, through the Trust expressed difficulty reaching the 2009 -2010 level of growth.

(Councillor Ritchie rejoined the meeting at 2.02pm)

040/10FM **UPDATE ON CURRENT ISSUES** **(2.16pm – 2.30pm)**
 Report of Danny McCombe, Treasury and CCO Manager - Council
 Controlled Organisations of performance and issues of all CCO’s.
 (1215/52/02/IM) **(ORAL REPORT)**

NOTED:

Danny McCombe reported a summary of performance and issues for all CCO’s. Capacity had a good year but did not achieve all KPI’s. Wellington Regional Stadium Trust had a good year and forward bookings look positive. Wellington Museum Trust is managing Carter Observatory under a Memorandum of Understanding and the Transition Agreement will soon be finalised. Carter Observatory recorded positive visitor numbers for 2009 / 2010. Wellington Zoo is ahead of its targets, however concerns were raised by the Subcommittee about the sustainability of securing corporate sponsorship. Wellington Waterfront has made good progress against its project milestones. Positively Wellington Tourism performed well, and included events and projects such as Wellington on a Plate, World of Wearable Arts, and the Hop-on Hop-off bus and the marketing campaign to Australia. The Basin Reserve Trust had a good year in terms of event days, however revenue was below target. A test match with Pakistan is booked for early January 2011 and a music festival in March 2011. Karori Sanctuary Trust performed well and had an operating deficit less than projected. Department of Conservation completed their ten year kiwi assessment and reported a 10% increase at Zealandia compared to a 6.5% national average.

041/10FM **REVIEW OF THE PERFORMANCE OF ALL COUNCIL
CONTROLLED ORGANISATIONS FOR THE YEAR ENDED 30
JUNE 2010** (2:30pm - 2.51pm)

Report of Maree Henwood, Portfolio Manager - Council Controlled Organisations, Natasha Petkovic-Jeremic, Portfolio Manager - Council Controlled Organisations, and Janine Chung, Acting Portfolio Manager – Council Controlled Organisations.

(1215/52/02/IM)

(REPORT 3)

(Councillor Foster left the meeting at 2.37pm)

(Councillor Foster rejoined the meeting at 2.38pm)

(Councillor Ritchie left the meeting at 2.43pm)

(Councillor Ritchie rejoined the meeting at 2.45pm)

(Councillor Ritchie left the meeting at 2.46pm)

Moved by Mr Ogden, seconded Councillor Coughlan, the substantive motion, with an amendment to 2(a) as follows:

THAT the Council Controlled Organisation Performance Subcommittee:

- (a) *The Basin Reserve Trust had a good year in 2009/10 in terms of number of cricket and other sports events and event days, however revenue was below target. The new off-field practice facilities should be of major benefit to the Trust by ~~improving the visitor experience and increasing the patronage.~~ by assisting with its international cricket programme.*

The amended 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 2009/10 performance of Council Controlled Organisations:*
 - (a) *The Basin Reserve Trust had a good year in 2009/10 in terms of number of cricket and other sports events and event days, however revenue was below target. The new off-field practice facilities should be of major benefit to the Trust by improving the visitor experience and increasing the patronage.*
 - (b) *Capacity successfully managed over \$100m of expenditure in 2009/10 on behalf of Wellington City Council, Hutt City Council and Upper Hutt City Council. While not all KPIs were achieved,*

the Company achieved most of the agreed performance measures with its customers and shareholders and made significant progress on leak detection and unaccounted for water.

- (c) In a challenging year, Positively Wellington Tourism performed well, achieving and exceeding most of their KPIs and incurring only a small operating loss against a breakeven budget. Wellington's first consumer marketing campaign to Australia was launched in 2010, with supporting funding received from Council and Government. The campaign will continue in 2011.*
- (d) Despite the ongoing challenges of the economic landscape, 2009/10 was one of the most financially successful years of the St James Theatre Charitable Trust in recent history. This is largely due to a very successful last four months of the financial year, which included the popular International Festival of the Arts.*
- (e) Wellington Cable Car Limited had a good year. While the cable car had slightly lower passenger numbers than last year, fare income was above budget. In addition, third party work on the overhead trolley bus network contributed to a better than budget financial performance despite the challenging economic conditions.*
- (f) Wellington Museums Trust had a successful year, reporting an overall deficit of \$253k against a budgeted deficit of \$358k, and achieving strong visitation growth this year. The re-opening of the City Gallery in late September after an 11 month closure received excellent feedback, largely due to the popularity and recognition of the Yayoi Kusama: Mirrored Years exhibition. Carter Observatory was transferred to the Trust and is included in the Trust's results from 1 June 2010.*
- (g) Wellington Waterfront Limited made good progress against its project milestones and the waterfront is developing well with attractions such as the Harbourside Market, the Frank Kitts Underground Market and the hosting of a number of significant events. The challenge will be to continue to manage its projects within existing funding from Council and generating commercial proceeds.*
- (h) Wellington Zoo Trust performed very well in 2009/10, recording a small operating surplus, achieving the majority of its performance measures, winning a number of awards, and experiencing strong visitation numbers. The \$6m The Nest - Te Kōhanga exhibit opened in December 2009 to excellent feedback and media coverage.*
- (i) Wellington Regional Stadium Trust recorded a record result in 2009/10 as there were a number of exceptional events during*

the year. The Trust does not expect future profits to continue at the same level as this year. The Trust has also negotiated a satisfactory settlement with Fletcher Construction and other parties in relation to the roof and cladding issues.

- (j) *The Karori Sanctuary Trust performed well this year with the completion of the Visitor Centre and continued success in its conservation, research and education programmes. The state-of-the-art ZEALANDIA Visitor Centre was officially opened on 31 March by Prime Minister John Key.*

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.*

(Councillor Foster left the meeting at 2.49pm)

042/10FM **RESOLUTION TO EXCLUDE THE PUBLIC**
(1215/52/02/IM)

Moved Mr Ogden, seconded Councillor Coughlan, the motion to exclude the public.

The motion was put and declared CARRIED:

RESOLVED:

THAT Council Controlled Organisation Performance Subcommittee:

1. *Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, resolve that the public be excluded from the following part of the proceedings of this meeting namely:*

Report 3 - Review of the performance of all Council Controlled Organisations for the Year Ended 30 June 2010.

- ***Wellington International Airport Limited***

Grounds: S48(1)(a) That public conduct of the whole or the relevant part of the proceedings of the meeting will be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.

Reason: S7(2)(c) Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information –

(i) Would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.

The meeting went into public excluded at 2.48pm.

For item 42/10FM, please see the public excluded minutes.

The meeting moved out of public excluded at 2.51pm.

NOTED:

Mr Ogden noted that this meeting was the last for this triennium and he thanked the members for their contributions.

The meeting concluded at 2.53pm.

Confirmed: _____
Mayor
/ /

Confirmed: _____
Chief Executive Officer
/ /