
MINUTES

MONDAY 2 MARCH 2009

9.16AM

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

PRESENT:

Mayor Prendergast
James Ogden (Chair)
Councillor Coughlan
Councillor Ritchie
Alan Isaac

IN ATTENDANCE:

Councillor Pannett

APOLOGIES:

Councillor Foster

001/09FM **APOLOGIES**
(1215/52/02IM)

RESOLVED:

THAT the Council Controlled Organisation Performance Subcommittee:

- 1. Accept apologies for absence from Councillor Foster.*

002/09FM **CONFLICT OF INTEREST DECLARATIONS**
(1215/52/02IM)

NOTED:

1. Mayor Prendergast declared an interest in Wellington International Airport Limited.
2. Councillor Coughlan declared an interest in relation to Carter Observatory and Positively Wellington Tourism.
3. Mr Isaac declared an interest in relation to the Basin Reserve Trust.

003/09FM **PUBLIC PARTICIPATION**
(1215/52/02IM)

NOTED:

There was no public participation.

004/09FM **MINUTES FOR CONFIRMATION**
(1215/52/02/IM)

RESOLVED:

THAT the Council Controlled Organisation Performance Subcommittee:

1. *Approve the minutes of the meeting held on Monday 8 December 2008 be taken as read and confirmed as an accurate record of that meeting.*

005/09FM **ORAL PRESENTATIONS: WELLINGTON MUSEUMS TRUST AND WELLINGTON WATERFRONT LIMITED**
(1215/52/02IM) (REPORT 1)

NOTED:

There was nothing to report.

006/09FM **ORDER OF BUSINESS**
(1215/52/02/IM)

NOTED:

THAT the Council Controlled Organisation Performance Subcommittee:

1. *Consider the agenda as follows:*
 - Report 3: Update on Current Issues*
 - Report 2: Project Management Office Update on Karori Wildlife Sanctuary Visitor Centre Project*
 - Report 4: Review of the Performance of all Council Controlled Organisations for the Quarter ended 31 December 2008*
 - Report 5: Forward Programme*

007/09FM **UPDATE ON CURRENT ISSUES**

Report of Allan Prangnell, Manager, Council Controlled Organisations
(1215/52/02/IM) (REPORT 3)

NOTED:

The Council Controlled Organisation team had been asked by a Councillor at Strategy and Policy Committee to provide an update on how the economic climate was impacting on the Council Controlled Organisations. This was distributed at this meeting and noted that the economy has impacted to differing degrees on the Council Controlled Organisations. The Cable Car has had unbudgeted administration and legal costs. This is due to consulting costs relating to pole user charge issues and the accounting treatment related to the change of status to a profit orientated entity. However there is still a \$287,000 forecast dividend. It was also noted that the quarterly reports for the Basin Reserve and Wellington Regional Stadium Trust had been received since circulation of the agenda and there were no issues to report. The Wellington Museums Trust had submitted a bid to Wellington City Council which will be part of the Long Term Council Community Plan. The Council Controlled Organisation team is aiming to provide an update on Capacity at the next meeting on Monday 20 April 2009.

008/09FM **PROJECT MANAGEMENT OFFICE UPDATE ON KARORI WILDLIFE SANCTUARY VISITOR CENTRE PROJECT**

Report of Allan Prangnell, Manager, Council Controlled Organisations
(1215/52/02/IM) (REPORT 2)

NOTED:

Concerns were expressed regarding the ability to bring the project on budget and on time. Officers would be reporting to the Strategy and Policy Committee on 9 April 2009 but were not waiting on this report before acting on their concerns. Officers have spoken to the Chair of Karori Wildlife Sanctuary Trust, and the Trust have responded with some suggestions, including how governance and project management of the project may be collectively improved. However it was noted that ultimate accountability for the project lies with the Trust.

009/09FM **REVIEW OF THE PERFORMANCE OF ALL COUNCIL CONTROLLED ORGANISATIONS FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

Report of Council Controlled Organisation Team.
(1215/52/02IM)

(REPORT 4)

(The meeting adjourned at 10.26am.)

(The meeting reconvened at 10.45am.)

Moved Councillor Coughlan, seconded Mayor Prendergast the substantive motion, as amended.

The substantive motion was put and declared CARRIED.

RESOLVED AND RECOMMENDED TO THE STRATEGY AND POLICY COMMITTEE:

THAT the Council Controlled Organisations Performance Subcommittee:

1. *Receive the information.*
2. *Recommend that the Strategy and Policy Committee (SPC) notes the following matters with regard to the second quarter 2008/09 performance of Council Controlled Organisations:*
 - a) *as at 18 February, the Basin Reserve Trust and the Stadium Trust had not submitted a second quarter report **but officers indicated there were no major issues identified***
 - b) *issues arising from the first quarter financial report of Capacity have not been completely resolved. Officers will continue to work with Capacity until CCOPS has assurance over the accuracy of the entities' financial reporting systems*
 - c) *Positively Wellington Tourism launched its Wellington Visitor Strategy 2015 in December to strengthen Wellington's position as a visitor destination during and after the current economic*

downturn. *The financial performance of the i-Site improved significantly during the second quarter*

- d) *the St James Theatre Charitable Trust has responded to the challenges presented by the economic downturn and, after briefly going overdrawn in January, is forecast to remain in credit to the end of the financial year*
 - e) *Wellington Cable Car Limited had a 16% year to date increase in passengers compared to the previous year, **and the company is projecting meeting its 2008/09 budgeted surplus.***
 - f) *the Wellington Museums Trust has approached the Council for an increase in its baseline operational funding to cover a number of issues. This will be reported on to the Strategy and Policy Committee as part of the LTCCP process*
 - g) ***that a report is imminent on the condition and cost implications of the wharf's maintenance requirements on the Waterfront.***
 - h) *construction of the Nest, the new animal hospital at the Zoo, progressed during the quarter and continues to track to budget.*
3. *Recommend that the Strategy and Policy Committee (SPC) notes that Council Controlled Organisation Performance Subcommittee is monitoring the Karori Sanctuary Visitor Centre project at the direction of SPC and that the first update report is included within this report, and that:*
- a) ***the Subcommittee noted serious concerns about project management and governance, and ask the Chief Executive Officer to immediately review appropriate project reporting arrangements***
 - b) ***the Subcommittee noted concerns about financial reporting and in particular treatment of grants as part of operating income. The Subcommittee requests an immediate update of the current operating results and a revised forecast to 30 June 2009.***
4. *Note any other issues for the Chair to raise with the Strategy and Policy Committee in regard to this report*
5. *Note that the Chair of the Council Controlled Organisation Performance Subcommittee will meet with the Chair of the Karori Wildlife Sanctuary Trust to discuss the concerns of the Subcommittee if required.*

NOTED:

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

1. The Subcommittee added the words in **bold**.

010/09FM **FORWARD PROGRAMME**

Report of Allan Prangnell, Manager, Council Controlled Organisations.
(1215/52/02IM) (REPORT 5)

Moved Mr Isaac, seconded Councillor Coughlan the substantive motion, with the following amendments:

- Remove the St James Charitable Trust presentation from the April meeting and add the Museums Trust and Wellington Waterfront Limited.
- Add Positively Wellington Tourism presentation to the June meeting.

The substantive motion was put and declared CARRIED.

RESOLVED:

THAT the Council Controlled Organisations Performance Subcommittee:

1. *Receive the information.*
2. *Agree to the forward programme attached as Appendix One to the officer's report, as **amended**.*

NOTED:

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

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

011/09FM **RESOLUTION TO EXCLUDE THE PUBLIC**

(1215/52/02/IM)

Moved Mr Ogden, seconded Mr Isaac the motion to exclude the public.

The motion was put and declared CARRIED.

RESOLVED:

THAT the Council Controlled Organisations Performance Subcommittee: Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following parts of the proceedings of this meeting namely:

Report 2: Review of the performance of all Council Controlled Organisations for the quarter ended 31 December 2008.

Wellington International Airport Limited

Grounds: S48(1)(a) That public conduct of the whole or 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)(b)(ii) Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

(The meeting moved into public excluded at 12.00pm.)

(For item 012/09FM, please see the public excluded minutes.)

The meeting concluded at 12.05pm.

Confirmed: _____
Chair
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