

# Report on 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 2007 they were Chris Parkin (Chair), Roger Miller, Councillor Ian McKinnon, Carol Stigley, Pele Walker 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	121	94
Opera House	150	145
Total number of days utilised:		
St James Theatre	177	147
Opera House	151	150
Average utilisation of seats (total seats sold per performance):		
St James Theatre		
Opera House	55%	54%
	55%	65%
Number of Performance Related Events:		
St James Theatre	57	57
Opera House	83	14
Average spend (excluding tickets) per head per performance (incl. GST)		
St James Theatre	\$1.50 - \$3.50	\$3.48
Opera House	\$0.30 - \$1.50	\$2.32
Average Yield per non performance event (incl. venue rental)	\$2,469	This information was not available at the time this report was being prepared

See also galleries and museums in the cultural wellbeing strategy

## Partnership Wellington Trust (trading as Positively Wellington Tourism)



### Structure

All trustees are appointed by the Council. As at 30 June 2007 they were Glenys Coughlan, Councillor Andy Foster, Kim Wicksteed, Ian Wells, Peter Monk and Ruth Pretty. 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
International market share (numbers and nights – March year-end) <i>Source: International Visitor Survey</i>	Maintain market share in US, UK and Australian markets	<u>Market share of visitor numbers</u> Total international visitor numbers -0.5% UK visitor numbers -0.37% US visitor numbers -0.56% Australia visitor numbers -0.93%  <u>Market share of visitor nights</u> Total international visitor nights -0.7% UK visitor nights -0.79% US visitor nights 0.56% Australia visitor nights -3.43%
International visitor numbers and nights (March year-end) <i>Source: Commercial Accommodation Monitor</i>	Maintain 2005/06 numbers and nights	1.3% (increase)
New Zealand market visitor numbers and nights <i>Source: Commercial Accommodation Monitor</i>	Domestic numbers and nights 1% above 2005/2006	12.6% (increase)
Partner hotel occupancy (capacity aligned) <i>Source: PWT Hotel Monitor</i>	1% above 2005/2006	-1% (decrease)
Downtown market growth <i>Source: BNZ Market View</i>	Maintain 2005/06 levels	Downtown visitor spend -0.5% (decrease)
i-SITE turnover <i>Source: i-Site</i>	Maintain 2005/2006 turnover	11% (increase)

See also city promotions, events and attractions in the economic development strategy

## 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 2007, they were Bill Brien (Chair), Councillor Helene Ritchie, Vivienne Beck, Peter Blades, Quentin Hay 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	150,000	168,648
Capital E	85,000	124,812
Museum of Wellington City & Sea	85,000	90,807
Plimmer's Ark	80,000	67,910
Colonial Cottage	2,700	2,093
Cable Car Museum	220,000	208,509
New Zealand Cricket Museum	3,000	1,704
Mount at least three temporary exhibitions including at least one community group exhibition at the Museum of Wellington City & Sea	3	3 temporary exhibitions and 5 community exhibitions
Hold a total of twelve exhibitions in the main galleries at the City Gallery and ten exhibitions in the Michael Hirschfield Gallery	12 and 10	12 and 9
Subsidy per customer	\$9.01	\$8.66
Average retail income per customer	\$1.15	\$1.15

See also galleries and museums in the cultural wellbeing strategy

# 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 2007 they were Ken Douglas (Chair, Porirua), Vaughan Renner (Upper Hutt), Charles Gilmore (Hutt), Gordon Strachan (Kapiti), Councillor John Morrison (Wellington), Rick Christie (Wellington), 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)	Above national average	Region 2006 = \$19,813m (increase 2.7%) NZ 2006 = \$155,885m (increase 2.2%)
Gross domestic product (GDP) per capita	Above national average	Region 2006 = \$44,133 per capita (increase 1.7%) NZ 2006 = \$38,701 per capita (increase 1.2%)
<u>Regional annual economic growth (GDP) by targeted sector:</u>		
Education	Above national average	<b>NZ</b> 6.9% <b>Region</b> 5.5%
ICT		11.1%      1.9%
Professional Engineering		14.7%      13.7%
Creative and Film		2.5%      2.9%
Manufacturing		0.0%      1.2%
<u>Regional annual growth in number of businesses by targeted sector:</u>		
Education	Positive growth within each sector	2.0%
ICT		9.0%
Professional Engineering		4.0%
Creative and Film		4.0%
Manufacturing		-0.6%
<u>Regional annual growth in number of jobs by targeted sector:</u>		
Education	Positive growth within each sector	4.9%
ICT		4.0%
Professional Engineering		11.5%
Creative and Film		2.5%
Manufacturing		1.5%
<u>Regional annual employment location quotients by targeted sector:</u>		

Key Performance Indicator	Target	Actual
Education ICT Professional Engineering Creative and Film Manufacturing	Above national average of 1	1.2% 1.8% 1.1% 1.2% 0.7%

See also business support in the economic development strategy

The establishment of a new regional Economic Development Agency as a result of Greater Wellington Regional Council adopting the Wellington Regional Strategy means that Positively Wellington Business will cease operating as at 30 June 2007.

# 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 2007 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 strategic and 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 vehicles, track, tunnels, bridges, buildings and equipment are maintained to required safety standards	Approval by Transport NZ	Achieved
Number of complaints by trolley bus operators	None	Nil
Number of adverse comments from the relevant regulatory authorities	None	Nil
Degree of variance from budget	Within 10% or Board approved variance	Achieved
Cable Car passenger numbers	904,000	1,030,690
Percentage of residents who have used the Cable Car in the last 12 months	30%	51%
Percentage of residents who rate the standard and operational reliability of the Cable Car as good or very good	90%	89%

See also galleries and museums in the cultural wellbeing strategy

## 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 2007 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

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:

- 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
- prepare an annual business plan for the waterfront project covering implementation tasks and project operations
- advise the appropriate Council committees on all aspects of waterfront development, including budgets, development phasing, technical information, costs, feasibility and commercial issues
- 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.

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 (at least once during the year)	95%	95% 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	353
Project timeliness, number of milestones achieved on time	75%	48%
Capital expenditure (\$000's)	\$11,462	\$8,406
Commercial proceeds (\$000's)	\$2200	\$319*

\* The proceeds shown are for the refurbishment of the TSB Arena. The proceeds from the Chaffers Dock development have been delayed and are forecast to be received in October 2007.

See also public spaces development in the urban development strategy

## Wellington Water Management Ltd (trading as Capacity)



### 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 2007 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 Richard Westlake. 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
Consent renewals accepted by regulatory authority prior to expiry	100% accepted	Consent renewal applications for Moa Point, Careys Gully and Western Treatment Plant were accepted prior to existing resource consent expiry
Responsiveness - requests for service resolved within 15 days	90%	98%
Customer satisfaction	90%	92%
Progress against agreed programme of capital works	90% completed on time; 90% completed within budget	The capital works programme was 75% completed. Actual expenditure was 25% below budget*
Actual total operating expenditure vs. budget	Actual costs +/- 10% budget	Achieved: Less than 1% above budget
Actual total capital expenditure vs. budget	Actual costs +/- 10% budget	Not achieved: 25% below budget
Savings of \$4.175m by 30 June 2009	Total annual savings of \$875,000	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 Wellington City

Key Performance Indicator	Target	Actual
		Council.

\* The majority of the variance is due to Messines Road Reservoir being postponed to 2008/09 to accommodate design changes and a revisit of the renewal programme.

See also the environment strategy



## 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 2007 they were Denise Church (Chair), Lee Parkinson, Frances Russell, Phillip Meyer and Councillor Celia Wade-Brown. The Chief Executive Officer was Karen Fifield.

### Objectives

To manage the assets and operations 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 visitors and the community
- promote and support species conservation.

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	172,000	178,053
Number of school visits (attendees)	14,000	14,137
Number of evening camps (attendees)	3,700	3,482
Conservation programme managed species	38%	35%
Animal Wellbeing – Compliance with Animal Welfare Act requirements	Requirements met	Requirements met
Learning outcomes - effectiveness	>97% of teachers agree learning was effective	100% of teachers agree learning met or exceeded expectations
Average subsidy per customer	\$15.60	\$15.09
Average retail income per customer	>\$8.50	\$8.40
Average income per visitor (excluding WCC grant)	>\$11.70	\$11.12
Ratio of generated Trust income as % of WCC grant	75%	74%

See also environmental conservation attractions in the environment strategy

# Basin Reserve Trust

Logo to come

## Structure

There are four trustees, of whom two are appointed by the Council and two by Cricket Wellington. As at 30 June 2007 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
- play a coordinated role in the events programme for Wellington city
- 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 Reserve

Key Performance Indicator	Target	Actual
<u>Number of events:</u>		
Cricket	11	21
Other sports	10	13
Other (cultural)	1	1
Community	4	5
<u>Number of event days:</u>		
Cricket	33	40
Other sports	10	13
Other (cultural)	1	1
Community	4	5
<u>Financial targets</u>		
Event income	\$90,000	\$81,755
Non-event income	\$345,000	\$364,844

# 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 2007 they are Paul Collins (Chair), Councillor Chris Laidlaw (GWRC), Michael Egan, Sir John Anderson, Liz Dawson, and Councillor Robert Armstrong (WCC). 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	39
Number of attendees	No target set	483,000
Total income	\$14.18 million	\$15.6 million
Event income	\$5.28 million	\$7.44 million
Net surplus (deficit)	\$1.71million	\$2.06 million

**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.