
MINUTES

FRIDAY 13 APRIL 2007

9.18AM

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

PRESENT:

James Ogden (Chair)
Mayor Prendergast (9.18 – 9.46am)
Councillor Ahipene-Mercer (9.20 – 10.35am, 10.51am – 12.21pm)
Councillor Morrison (10.18am – 12.14pm)
Councillor Shaw

APOLOGIES:

Councillor Ritchie
Councillor Wain
Mayor Prendergast (early departure)
Councillor Ahipene-Mercer (lateness)
Councillor Morrison (lateness)

012/07FM **APOLOGIES**
(1215/52/02IM)

RESOLVED:

THAT the Council Controlled Organisations Performance Subcommittee:

- 1. Accept apologies from Councillors Ritchie and Wain.*
- 2. Accept apologies for early departure from Mayor Prendergast.*
- 3. Accept apologies for lateness for Councillors Ahipene-Mercer and Morrison.*

013/07FM **CONFLICT OF INTEREST DECLARATIONS**
(1215/52/02IM)

NOTED:

1. Mayor Prendergast declared a conflict of interest in relation to Wellington International Airport Limited as she is on the Board.
2. Councillor Shaw declared a conflict of interest in relation to Capacity and Carter Observatory as he is on the Board.
3. It was raised in Councillor Ahipene-Mercer's absence that he had conflict of interest in relation to Wellington Waterfront Limited as he is on the Board.
4. It was raised in Councillor Morrison's absence that he had a conflict of interest in relation to Positively Wellington Business and Basin Reserve Trust as he is a Trustee.

014/07FM **PUBLIC PARTICIPATION**
(1215/52/02IM)

NOTED:

There was no public participation.

(Councillor Ahipene-Mercer joined the meeting at 9.20am.)

015/07FM **DEPUTATION**
(1215/52/02IM)

1. Roger Drummond and Brian Brown from Wellington Cable Car Limited addressed the Subcommittee. They gave an update of the transition process of moving staff from Transfield to in-house employees. They noted a future aim is to make the Wellington Cable Car a greater tourist attraction. An upgrade of Cable Car Lane is being investigated to make it a more attractive and interactive location. They noted their aim to make the Cable Car a more iconic Wellington tourism feature.

(Mayor Prendergast left the meeting at 9.46am.)

2. Bill Brien and John Gilberthorpe of Wellington Museums Trust addressed the Subcommittee. They updated the Subcommittee on five issues raised in their last annual report, in particular the investigation of a regional collection store and funding for Capital E. They also

noted the success of the Children's Festival at Capital E with 32,000 tickets sold to 10 productions over the course of the festival.

016/07FM UPDATE ON CURRENT ISSUES

(1215/52/02IM)

(ORAL REPORT)

(John Morrison joined the meeting at 10.18am.)

NOTED:

Wayne Maxwell, Director, Strategy and Partnerships and Allan Prangnell, Manager, Council Controlled Organisations gave an overview of current issues, responded to questions and clarified issues for the Subcommittee. The Subcommittee received an updates on the Tiffin Report and the implementation of the Roche Review.

(The Subcommittee broke for morning tea at 10.35am. When the Subcommittee reconvened at 10.49am, Councillor Ahipene-Mercer was not present.)

017/07FM REVIEW OF THE PERFORMANCE OF ALL COUNCIL CONTROLLED ORGANISATIONS FOR THE QUARTER ENDED 31 DECEMBER 2006

Report of Council Controlled Organisations Team.

(1215/52/02IM)

(REPORT 2)

(Councillor Ahipene-Mercer returned to the meeting at 10.51am.)

Moved James Ogden, seconded Councillor Ahipene-Mercer, the substantive motion.

RESOLVED:

THAT the Council Controlled Organisations Performance Subcommittee:

1. *Receive the information.*
2. *Note that there were issues regarding the quality of the reports received from some of the CCO's; officers will raise these issues with the individual CCO's.*
3. *Note that there were no issues to raise with Strategy and Policy Committee in regard to this report.*
4. *Note that officers will continue to work with Carter and MEC to develop the content of their quarterly reports to the Subcommittee.*

NOTE:

1. The Subcommittee expressed concern at the budgeting forecast change of Positively Wellington Tourism.
2. The Subcommittee expressed concern about the ability of the St James Theatre Trust to fund the depreciation and maintenance of its buildings, given its current budget forecasts.

018/07FM **DRAFT STATEMENTS OF INTENT FOR ALL COUNCIL CONTROLLED ORGANISATIONS FOR THE YEAR 2007/08**
 Report of Allan Prangell, Manager, Council Controlled Organisations.
 (1215/52/02IM) (REPORT 3)

Moved Councillor Shaw, seconded Councillor Ahipene-Mercer, the substantive motion.

(Councillor Morrison left the meeting at 12.14pm.)

RESOLVED:

THAT the Council Controlled Organisations Performance Subcommittee:

1. *Receive the information.*
2. *Note that officers work with all CCOs to continue to improve the quality of Statements of Intent over time, as recommended by the Roche Review of CCOs in 2006*
3. *Agree that officers request that CCOs make the following changes to their Statements of Intent for presentation to this Subcommittee at its meeting of 6 June 2007:*

CCO	Recommendations
<i>Wellington Museums Trust</i>	<ul style="list-style-type: none"> ➤ produce missing 3 year forecasts ➤ provide information on how the Board will meet best practice standards and the Board development programme ➤ outline its audit and risk assurance processes, including internal audit
<i>Basin Reserve Trust</i>	<ul style="list-style-type: none"> ➤ provide an undertaking to work with the Council to achieve co-ordinated event management ➤ identify risks, and the associated mitigation strategies ➤ outline audit and risk assurance processes,

CCO	Recommendations
	<p>including internal audit</p> <ul style="list-style-type: none"> ➤ produce missing 3 year forecasts ➤ provide information on how the Board will meet best practice standards and the Board development programme
<i>Cable Car Company</i>	<ul style="list-style-type: none"> ➤ articulate future company strategies, including scenarios with/without overhead trolley network ➤ identify risks, and the associated mitigation strategies ➤ outline its audit and risk assurance processes, including internal audit ➤ produce missing 3 year forecasts ➤ provide information on how the Board will meet best practice standards and the Board development programme
<i>Positively Wellington Tourism</i>	<ul style="list-style-type: none"> ➤ include working with the Council Events team to develop a robust methodology to measure the economic impact of events ➤ include cost effectiveness and organisational health measures ➤ produce missing 3 year forecasts ➤ outline how its internal audit functions are provided for ➤ articulate its Board development programme
<i>St James Theatre Trust</i>	<ul style="list-style-type: none"> ➤ Raise the issue of an SOI or joint SOI for the St James Theatre Limited ➤ additional information about strategic direction – e.g. Trust taking greater role in productions, development of back lot ➤ include measures on organisational health and capacity ➤ produce missing 3 year forecasts ➤ provide information on how the Board will meet best practice standards and its Board development programme
<i>Wellington Waterfront Limited</i>	<ul style="list-style-type: none"> ➤ A number of the requirements for the SOI, as laid out in the Letter of Expectations are not attached to the SOI and will be received as part of the business plan

CCO	Recommendations
	<ul style="list-style-type: none"> ➤ In the Governance section, WWL assert that only the WWL Board can make decisions, including major capital projects and the approval of development contracts. The Companies Act 1993 says that a major transaction (greater than half the value of the company's assets) requires shareholder support for it to be approved ➤ produce missing 3 year forecasts ➤ include details of how it reviews and measures board performance, and of its board development programme ➤ a detailed assessment of all risks that might impact waterfront development and their proposed strategies for mitigation
Wellington Zoo Trust	<ul style="list-style-type: none"> ➤ ensure details of processes and controls for CAPEX development projects are included in the SOI. ➤ articulate how it reviews and measures board performance, and its board development programme. ➤ discuss all performance measures with the Trust, especially those which have decreased compared to 2006/07 and/or 2005/06.
Capacity	<p><i>(These recommendations will need to be discussed with Hutt City Council):</i></p> <ul style="list-style-type: none"> ➤ Consider requiring an explicit link to be made between the SOI and the Strategic Plan ➤ Explicitly recognise and outline how it will manage risks to the Council ➤ Agree to remove the specific performance measures and rely on the general requirement to comply with SLAs ➤ include measures on organisational health and capacity ➤ outline its audit and risk assurance processes, included internal audit ➤ produce missing 3 year forecasts ➤ provide information on how the Board will meet best practice standards and its Board development programme

4. *Note that there are no issues to raise with Strategy and Policy Committee in regard to this report.*

019/07FM **FORWARD PROGRAMME**
(1215/52/02IM)

(REPORT 4)

Moved Councillor Shaw, seconded Councillor Ahipene-Mercer, the amended substantive motion.

RESOLVED:

THAT the Council Controlled Organisations Performance Subcommittee:

1. *Receive the information.*
2. *Agree to the forward programme attached to the officer's report.*

020/07FM **RESOLUTION TO EXCLUDE THE PUBLIC**
(1215/52/02/IM)

RESOLVED:

It is recommended that the Council Controlled Organisations Performance Subcommittee

1. *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 2006

- ***Wellington International Airport Limited***

Grounds: S48(1)(a) That public conduct of this item 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 12.20pm.)

(For item 021/07FM, please see the public excluded minutes.)

The meeting concluded at 12.21pm.

Confirmed: _____

Chair

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