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**MINUTES**

**FRIDAY 14 DECEMBER 2007**

**9.18AM**

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

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**PRESENT:**

James Ogden (Chair)  
Councillor Coughlan  
Councillor Foster (9.27am – 12.32pm)  
Councillor Ritchie  
Alan Isaac (9.18am – 12.22pm)

**APOLOGIES:**

Mayor Prendergast  
Councillor Foster (Lateness)

**IN ATTENDANCE:**

Councillor Pannett

045/07FM **APOLOGIES**  
(1215/52/02IM)

**RESOLVED:**

*THAT the Council Controlled Organisations Performance Subcommittee:*

- 1. Accept apologies from Mayor Prendergast.*
- 2. Accept apologies from Councillor Foster for lateness.*

**046/07FM CONFLICT OF INTEREST DECLARATIONS**  
(1215/52/02IM)

**NOTED:**

1. Councillor Coughlan declared a conflict of interest in relation to Carter Observatory and Positively Wellington Tourism.
2. Councillor Foster declared a conflict of interest in relation to Capacity and Karori Wildlife Sanctuary. He also declared a conflict of interest in relation to Positively Wellington Tourism as he was on the Board during the 2004-2007 Triennium.

**047/07FM PUBLIC PARTICIPATION**  
(1215/52/02IM)

**NOTED:**

There was no public participation.

**048/07FM DEPUTATION**  
(1215/52/02IM)

1. Bryan Jackson and David Hill from Capacity addressed the Subcommittee. They noted Capacity is working towards improved risk management with a senior engineer now focusing on risk mitigation. Noted the savings model has been signed off after three years and will go to the Board for approval March 2008.

(Councillor Foster joined the meeting at 9.27am.)

Noted there have been increased operating costs, including higher energy costs and increasing salary costs. Mr Jackson and Mr Hill noted strategic asset planning is underway and future goals for Capacity have been set and the organisation is gradually moving towards them.

(The Subcommittee adjourned at 10.28am for morning tea and reconvened at 10.42am.)

049/07FM **UPDATE ON CURRENT ISSUES**  
(1215/52/02IM)

(ORAL REPORT)

**NOTED:**

Allan Prangnell, Manager of Council Controlled Organisations gave an overview of current issues, responded to questions and clarified issues for the Subcommittee. He noted the St James Theatre Trust is advertising for a new Chief Executive and Celia Walmsley will be Acting Chief Executive until an appointment is made. He also gave an update of the Council grant to the Carter Observatory.

049/07FM **REVIEW OF THE PERFORMANCE OF ALL COUNCIL  
CONTROLLED ORGANISATIONS FOR THE QUARTER ENDED  
30 SEPTEMBER 2007**

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

(REPORT 2)

**Moved Councillor Foster, seconded Councillor Ritchie, the substantive motion as amended.**

**The substantive motion, as amended was put and declared CARRIED.**

**RESOLVED:**

*THAT the Council Controlled Organisations Performance Subcommittee:*

1. *Receive the information.*
2. *Note that there were no issues for the chair to raise with the Strategy and Policy Committee in regard to this report.*
3. *Note that there were no issues for the Chair to raise with the entities covered by this report.*
4. *Request further information on the following:*
  - a. *Long term asset management planning for the Basin Reserve.*
  - b. *Utilisation rates and long term maintenance/depreciation affordability for the St James Theatre.*
  - c. *Strategic fit of Council Controlled Organisations as outlined in the Roche Report.*
  - d. *Loan repayments for at the Wellington Regional Stadium.*
  - e. *Monitoring of the Council Grant to the Carter Observatory.*

050/07FM **2008/09 LETTERS OF EXPECTATION**

Report of Allan Prangnell, Manager, Council Controlled Organisations.

(1215/52/02IM)

(REPORT 3)

**Moved Councillor Foster, seconded Councillor Coughlan, the substantive motion.**

(Alan Isaac left the meeting at 12.22pm.)

**The substantive motion was put and declared CARRIED.**

**RESOLVED:**

*THAT the Council Controlled Organisations Performance Subcommittee:*

1. *Receive the information.*
2. *Consider the key messages drafted by officers for preparation for the 2008/09 Letters of Expectation to Council Controlled Organisations, and provide input and guidance.*
3. *Note that officers make changes according to the directions of the subcommittee (attached as appendix one) and prepare formal 2008/09 Letters of Expectation for signing by the Chair of this subcommittee.*
4. *Note that the subcommittee can expect to receive draft 2008/09 Statements of Intent, alongside officer's analyses, at its meeting in April 2008.*

051/07FM **FORWARD PROGRAMME**

Report of Allan Prangnell, Manager, Council Controlled Organisations.

(1215/52/02IM)

(REPORT 4)

**Moved Councillor Coughlan, seconded Councillor Ritchie, the substantive motion.**

**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.*

052/07FM **RESOLUTION TO EXCLUDE THE PUBLIC**  
(1215/52/02/IM)

**Moved Councillor Coughlan, seconded Councillor Ritchie the resolution to exclude the public.**

**RESOLVED:**

*It is recommended 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 30 September 2007***

***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 12.28pm.)

(For item 053/07FM, please see the public excluded minutes.)

The meeting concluded at 12.32pm.

Confirmed: \_\_\_\_\_

Chair

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## APPENDIX ONE

<b>CCO/CO</b>	<b>Key Issues</b>
<b>Capacity</b>	<ul style="list-style-type: none"> <li>• Address WCC expectations – savings, strategic planning</li> <li>• Regionalisation</li> <li>• Retaining and attracting the technical staff required to take the company forward</li> </ul>
<b>Wellington Museums Trust</b>	<ul style="list-style-type: none"> <li>• Managing the transition to new Chair and CEO. Likely to include an assessment of the operating and business model for WMT facilities</li> <li>• City gallery redevelopment (a Mayoral priority for the triennium) and strategic direction for the Gallery post-redevelopment</li> </ul>
<b>Wellington Zoo Trust</b>	<ul style="list-style-type: none"> <li>• Delivery of Zoo Capital Plan Projects - good quality, on time, on budget and appropriately funded by Zoo sponsorship</li> <li>• Deliver operating surpluses to initially strengthen reserves, and thereafter to reduce Council funding</li> <li>• Work with Council to deliver sustainable living messages to the public</li> </ul>
<b>St James Theatre Trust</b>	<ul style="list-style-type: none"> <li>• Increase number of revenue streams</li> <li>• Develop strategies for funding asset maintenance</li> <li>• Increased levels of community engagement</li> <li>• Develop feasible working model for capital and operational aspects of back lot development</li> </ul>
<b>Wellington Regional Stadium Trust</b>	<ul style="list-style-type: none"> <li>• Addressing declining event revenue and corporate box holders</li> <li>• Management of congested schedule while ensuring ground quality</li> <li>• Increased competition for events from upgraded stadiums (Auckland and Christchurch) post Rugby World Cup</li> </ul>
<b>Wellington Cable Car Limited</b>	<ul style="list-style-type: none"> <li>• Resolving adequate and transparent funding for overhead maintenance from GWRC i.e. not relying on cross-subsidy from other income streams</li> <li>• Role of WCCL in achieving the Council's broadband strategy</li> <li>• Other opportunities for WCCL in terms of responsibilities</li> </ul>

<b>Partnership Wellington Trust</b>	<ul style="list-style-type: none"> <li>• Future direction of tourism in Wellington and consequent impacts on PWT</li> <li>• Future of the I-site – location, cost, purpose and business model</li> <li>• Leadership role in tourism product development</li> </ul>
<b>Basin Reserve Trust</b>	<ul style="list-style-type: none"> <li>• Development of asset management plan – long term plan for the Basin Reserve facilities</li> <li>• Addressing deferred maintenance</li> <li>• Maximise events opportunities for use of the basin reserve facilities, within the context of the City’s strategic aims for sport, events and recreation</li> </ul>
<b>Wellington Waterfront Limited</b>	<ul style="list-style-type: none"> <li>• Assess the risks and opportunities around the Hilton, OPT, Sites 8,9 and 10, and Waitangi park building developments and their associated potential impacts on cash-flows and the progress and completion of the waterfront project</li> <li>• Preparing for the eventual transition of responsibility for the waterfront from WWL to WCC</li> </ul>
<b>Karori Wildlife Sanctuary<sup>1</sup></b>	<ul style="list-style-type: none"> <li>• Managing the transition from current operations to the new visitor centre model</li> <li>• Delivery of a high quality Visitor Centre on time and within budget. This will include ensuring that the business plan clearly identifies project risks for the visitor centre and associated works and sets out the mitigation strategies to manage these risks.</li> <li>• Strong push on marketing/awareness of new Visitor Centre. We would like to work with KWS on possible partnership opportunities to develop stronger and more integrated marketing strategies with other attractions within Wellington City.</li> <li>• To consider the long term operating costs for the Sanctuary and to consult with the Council on the Sanctuaries forecasts and recommendations.</li> </ul>

<sup>1</sup> Although a CO rather than a CCO, Council has agreed with Karori Wildlife Sanctuary that the CCO monitoring process, including a Statement of Intent, is appropriate for KWS given Council significant funding (loan) and land ownerships interests in it.