

8 January 2008

Doug Catley
Chair
PO Box 24 445
WELLINGTON

Dear Doug

Re: 2008/09 Statement of Intent and Council Expectations

In previous years the Council has outlined its expectations for the Basin Reserve Trust to assist the Trust in its business planning, and to enable it to complete its Statement of Intent (SOI). This letter sets out our current expectations for you to consider in the planning processes for 2008/09 and beyond.

As noted last year, the 'Roche' review of the CCO management and structures undertaken in 2006 endorsed the current model and the quality of the CCO governance and management. It concluded that the current structure was appropriate whilst also identifying a number of ways in which the performance reporting and relationship between the Council and CCO's could continue to be improved.

Potential areas for improvement were brought to the attention of the CCO's in last year's Letter of Expectation (LoE), which led to a marked improvement in the quality of SOI's for the 2007/08 year. Nevertheless, it is important that the CCO's continue to develop the SOI content to more fully reflect the relationship and interest the Council has in this group of organisations.

As well as this, the Council would like to continue to raise the standards of risk management across CCO's. The CCO's, as a whole, manage significant assets or activities that carry a range of risks for the city whether that is infrastructure, capital development or delivering programmes that enhance the city's position. An annex is attached to this letter which discusses effective risk management for your consideration.

Further to this, in 2007, Council commissioned Roy Tiffin to undertake a review of Council's CCO Performance Subcommittee and its Audit and Risk Management Subcommittee (ARMS) for presentation to Council's Strategy

and Policy Committee (SPC). SPC resolved the following key tasks for Council's Chief Executive Officer to action:

- to write to the Auditor-General requesting that all 100%-owned CCO's have Audit New Zealand appointed as their auditor, and
- to write to the Council's auditor (Audit New Zealand) requesting that ARMS be provided with an annual summary of any relevant issues arising from the audits of the CCO's in the audit clearance letter and the annual management report

It was further noted by the SPC that Council's Risk Assurance team had written to all CCO's offering its services to any of them that were considering utilising sub-contracted internal audit resources. This offer has been re-confirmed by the Risk Assurance team and is thus still available to any CCO's wishing to undertake an internal audit.

Specific Issues

The management and implementation of an Asset Management Plan (AMP) is expected to be a key element of your 2008/09 SOI and business plan. In 2006/07, the Council approved funding for two major capital projects with the upgrade of the irrigation system and the new media centre. These capital projects were seen as a critical requirements and it is important that such works are undertaken in a co-ordinated and planned fashion. In this regard, the development of a sufficiently detailed AMP will allow the Trust and the Council to be aware of and understand the long term requirements of the Basin Reserve and intended responses of the Trust.

The role that the Trust is intending to play in achieving a co-ordinated city wide events schedule should be reflected in the SOI. Of particular importance will be the commitment to, and an explanation of how the Trust will, work with the Council in achieving our events related objectives.

We look forward to receiving your draft SOI by Friday 29 February 2008. Once we have received the draft SOI's from CCO's, we will present them, along with our comments, to the CCO Performance Subcommittee (CCOPS) at its meeting in April 2008. Any comments from the Subcommittee will be sent to you following that meeting, with final SOI's to be provided to officers by 20 May 2008 for presentation to CCOPS and SPC for approval in June 2008.

Should you have any queries or comments in regard to this letter please contact Warren Ulusele in the first instance who would be happy to elaborate on the Council's strategies and the outcomes it is seeking, should you or your board wish to discuss this.

The attachments set out in more detail a number of reporting issues which should be considered in developing your SOI and in reporting to the Council.

On behalf of Council, I would like to acknowledge the Trust's continued contribution to Wellington, and particularly to congratulate the trust on the recent enhancements to the Basin Reserve.

Yours sincerely

Wayne Maxwell
Director, Strategy
Wellington City Council

CC: Gavin Larson, CEO

8 January 2008

Bryan Jackson
Chair
Capacity
7 North Bay
Waikanae

Dear Bryan

Re: 2008/09 Statement of Intent and Council Expectations

In previous years the Council has outlined its expectations for the Capacity to assist the trust in its business planning, and to enable it to complete its Statement of Intent (SOI). This letter sets out our current expectations for you to consider in the planning processes for 2008/09 and beyond.

As noted last year, a review of the CCO management and structures undertaken in 2006 endorsed the current model and the quality of the CCO governance and management. It concluded that the current structure was appropriate whilst also identifying a number of ways in which the performance reporting and relationship between the Council and CCO's could continue to be improved.

Potential areas for improvement were brought to the attention of the CCO's in last year's Letter of Expectation (LoE), which led to a marked improvement in the quality of SOI's for the 2007/08 year. Nevertheless, it is important that the CCO's continue to develop the SOI content to more fully reflect the relationship and interest the Council has in this group of organisations.

As well as this, the Council would like to continue to raise the standards of risk management across CCO's. The CCO's, as a whole, manage significant assets or activities that carry a range of risks for the city whether that is infrastructure, capital development or delivering programmes that enhance the city's position. An annex is attached to this letter which discusses effective risk management for your consideration.

Further to this, in 2007, Council commissioned Roy Tiffin to undertake a review of Council's CCO Performance Subcommittee and its Audit and Risk Management Subcommittee (ARMS) for presentation to Council's Strategy

and Policy Committee (SPC). SPC resolved the following key tasks for Council's Chief Executive Officer to action:

- to write to the Auditor-General requesting that all 100%-owned CCO's have Audit New Zealand appointed as their auditor; and
- to write to the Council's auditor (Audit New Zealand) requesting that ARMS be provided with an annual summary of any relevant issues arising from the audits of the CCO's in the audit clearance letter and the annual management report

It was further noted by the SPC that Council's Risk Assurance team had written to all CCO's offering its services to any of them that were considering utilising sub-contracted internal audit resources. This offer has been re-confirmed by the Risk Assurance team and is thus still available to any CCO's wishing to undertake an internal audit.

Specific Issues

A savings in the management fee paid by Council whilst continuing to provide the required levels of service is expected to be a key element of the 2008/09 SOI and business plan. Council is currently evaluating all expenditure to realise an acceptable target rate increase for 2008/09. As part of this process the Management Fee paid to Capacity has been scrutinised. As you will be aware the current expenditure is in excess of what was expected from the Savings Model and in light of the assurance given that this will be turned round within the next year, Council is expecting savings in the vicinity of \$400,000.

It will be important that the SOI sets out the company's expectations and strategy for growth/regionalisation.

It is critical that the risk management for Capacity's areas of responsibility is well managed. The company should continue to ensure that the appropriate expertise and skills are in place at both governance and management levels to deliver the planned projects on time, on budget, and to a good quality. The Council expects the SOI to reflect the company's strategy for retaining and attracting appropriately skilled personnel.

With responsibility for delivery of water and drainage services Capacity has the opportunity to deliver key messages to the public on sustainable practices and efficient use of resources. It is important that the company continues to work with Council and to align itself with Council strategies in this area.

We look forward to receiving your draft SOI by Friday 29 February 2008. Once we have received the draft SOI's from CCO's, we will present them, along with our comments, to the CCO Performance Subcommittee (CCOPS) at its meeting in April 2008. Any comments from the Subcommittee will be sent to you following that meeting, with final SOI's to be provided to officers by 20 May 2008 for presentation to CCOPS and SPC for approval in June 2008.

Should you have any queries or comments in regard to this letter please contact Warren Ulusele in the first instance who would be happy to elaborate on the Council's strategies and the outcomes it is seeking, should you or your board wish to discuss this.

The attachments set out in more detail a number of reporting issues which should be considered in developing your SOI and in reporting to the Council.

On behalf of Council, I would like to acknowledge the Capacity's continued contribution to Wellington.

Yours sincerely

Wayne Maxwell
Director, Strategy
Wellington City Council

CC: David Hill, CEO

18 January 2008

Glenys Coughlyn
Chairperson
Positively Wellington Tourism
PO Box 10 017
WELLINGTON

Dear Glenys

Re: 2008/09 Statement of Intent and Council Expectations

In previous years the Council has outlined its expectations for the Partnership Wellington Trust to assist the trust in its business planning, and to enable it to complete its Statement of Intent (SOI). This letter sets out our current expectations for you to consider in the planning processes for 2008/09 and beyond.

As noted last year, the 'Roche Review' of the CCO management and structures undertaken in 2006 endorsed the current model and the quality of the CCO governance and management. It concluded that the current structure was appropriate whilst also identifying a number of ways in which the performance reporting and relationship between the Council and CCO's could continue to be improved.

Potential areas for improvement were brought to the attention of the CCO's in last year's Letter of Expectation (LoE), which led to a marked improvement in the quality of SOI's for the 2007/08 year. Nevertheless, it is important that CCO's continue to develop the SOI content to more fully reflect the relationship and interest the Council has in this group of organisations.

As well as this, the Council would like to continue to raise the standards of risk management across CCO's. The CCO's, as a whole, manage significant assets or activities that carry a range of risks for the city whether that is infrastructure, capital development or delivering programmes that enhance the city's position. An annex is attached to this letter which discusses effective risk management for your consideration.

Further to this, in 2007, Council commissioned Roy Tiffin to undertake a review of Council's CCO Performance Subcommittee and its Audit and Risk Management Subcommittee (ARMS) for presentation to Council's Strategy and Policy Committee (SPC). SPC resolved the following key tasks for Council's Chief Executive Officer to action:

- to write to the Auditor-General requesting that all 100%-owned CCO's have Audit New Zealand appointed as their auditor, and

- to write to the Council's auditor (Audit New Zealand) requesting that ARMS be provided with an annual summary of any relevant issues arising from the audits of the CCO's in the audit clearance letter and the annual management report.

It was further noted by the SPC that Council's Risk Assurance team had written to all CCO's offering its services to any of them that were considering utilising sub-contracted internal audit resources. This offer has been re-confirmed by the Risk Assurance team and is thus still available to any CCO's wishing to have undertaken an internal audit function.

Specific Issues

Tourism is an increasingly critical component to the functioning of Wellington's economy, and it is important that activities mesh well with complementary programmes such as events and the development and enhancement of visitor attractions.

The future direction of tourism in Wellington and consequent impacts on PWT is expected to be a key element of your SOI and your 2008/09 business plan along with the leadership role PWT will play in the development of tourism product.

We will continue to work with you on developing the business case for any enhancement of the i-SITE and would like to understand the timetable for this proposal.

We would also like PWT to continue to work with officers to develop a range of measures that reflect the contribution it makes to the city, the effectiveness of the business and also key measures that reflect the organisations capability. While it is a challenge to isolate the impact that PWT alone has on Wellington's tourism, we would like to improve on the current indicators in this area.

We understand that PWT is considering a number of new initiatives for 2008/09, and we will work closely with you over the next few weeks to understand the priority these might be afforded in Council's 2008/09 draft Annual Plan.

Timetable

We look forward to receiving your draft SOI by Friday 29 February 2008. Once we have received the draft SOI's from CCO's, we will present them, along with our comments, to the CCO Performance Subcommittee (CCOPS) at its meeting in April 2008. Any comments from the Subcommittee will be sent to you following that meeting, with final SOI's to be provided to officers by 20 May 2008 for presentation to CCOPS and SPC for approval in June 2008.

Should you have any queries or comments in regard to this letter please contact Kate Neilson in the first instance who would be happy to elaborate on the Council's strategies and the outcomes it is seeking, should you or your board wish to discuss this.

The attachments set out in more detail a number of reporting issues which should be considered in developing your SOI and in reporting to the Council.

On behalf of Council, I would like to acknowledge PWT's continued contribution to Wellington.

Yours sincerely

Wayne Maxwell
Director of Strategy

CC: Tim Cossar, CEO

18 January 2008

Chris Parkin
Chairperson
St James Theatre Trust
PO Box 9132
WELLINGTON

Dear Chris

Re: 2008/09 Statement of Intent and Council Expectations

In previous years the Council has outlined its expectations for the St James Theatre Trust to assist the Trust in its business planning, and to enable it to complete its Statement of Intent (SOI). This letter sets out our current expectations for you to consider in the planning processes for 2008/09 and beyond.

As noted last year, the 'Roche Review' of the CCO management and structures undertaken in 2006 endorsed the current model and the quality of the CCO governance and management. It concluded that the current structure was appropriate whilst also identifying a number of ways in which the performance reporting and relationship between the Council and CCO's could continue to be improved.

Potential areas for improvement were brought to the attention of the CCO's in last year's Letter of Expectation (LoE), which led to a marked improvement in the quality of SOI's for the 2007/08 year. Nevertheless, it is important that CCO's continue to develop the SOI content to more fully reflect the relationship and interest the Council has in this group of organisations.

As well as this, the Council would like to continue to raise the standards of risk management across CCO's. The CCO's, as a whole, manage significant assets or activities that carry a range of risks for the city whether that is infrastructure, capital development or delivering programmes that enhance the city's position. An annex is attached to this letter which discusses effective risk management for your consideration.

Further to this, in 2007, Council commissioned Roy Tiffin to undertake a review of Council's CCO Performance Subcommittee and its Audit and Risk Management Subcommittee (ARMS) for presentation to Council's Strategy and Policy Committee (SPC). The SPC resolved the following key tasks for Council's Chief Executive Officer to action:

- to write to the Auditor-General requesting that all 100%-owned CCO's have Audit New Zealand appointed as their auditor, and

- to write to the Council's auditor (Audit New Zealand) requesting that ARMS be provided with an annual summary of any relevant issues arising from the audits of the CCO's in the audit clearance letter and the annual management report.

It was further noted by the SPC that Council's Risk Assurance team had written to all CCO's offering its services to any of them that were considering utilising sub-contracted internal audit resources. This offer has been re-confirmed by the Risk Assurance team and is thus still available to any CCO's wishing to have undertaken an internal audit function.

Specific Issues

The Trust operates in a difficult market and the 2006 /07 Annual Report and highlighted the financial pressures faced by the trust. In the last few years, actual and forecast results for the Trust have all shown a significant deficit after depreciation. Whilst the Trust considers that there are no immediate maintenance issues for the Trust's premises, the inability to cover depreciation now may mean that there will not be sufficient reserves in the future when critical maintenance may be required.

Further to this, the Trust indicated in its 2007/08 SOI that it will look towards the Council (as the Trust settlor) to assist in the replacement of major assets. Council would like to better understand the nature of this potential future commitment, as well as seeing a detailed asset management plan showing the amounts and timings of essential maintenance over the next 10 years. There is a risk that current financial pressures might result in critical maintenance not being undertaken, resulting in a reduction in the useful life of some assets. It is important that the Trust adopts appropriate strategies to ensure that the assets are adequately maintained.

The Trust has recognised the difficult of operating viably through traditional activities alone, and has sought to increase its revenue streams to reduce the dependence on performance activity. The food and beverage operations provide valuable financial support to the Trusts operations, and the Trust is looking at ways of using the Trust assets to generate further income. The SOI should detail the strategies being considered, the reasons for undertaking them and the processes for managing the associated risks.

It is acknowledged that the Trust needs to be flexible to the needs of show operators, and that this may sometimes be at odds with undertaking community ventures resulting in little or no financial gain, and possibly some financial loss. However, Council would like the SOI to demonstrate an increased accessibility of its premises to the wider community, rather than focussing solely on the delivery of a high quality theatre experience to what, according to the Regional Satisfaction Survey (RSS) is a sizeable minority (< 30%) of Wellingtonians. In addition, the RSS highlights a decreasing trend of the number of people visiting the Saint James Theatre (SJT), the Opera House (OH), or both. The SOI should also detail strategies that are being implemented to enable the Trust to reach and connect with a greater number of patrons. We note however that the RSS also concludes that those who are attending (either the SJT or the OH) appear to be having a more positive experience.

The Trust is continuing its investigation of options for the development of the back lot, in which Council officers have been involved. The SOI should include an update on the work undertaken thus far, and an indication of the expected milestones to be achieved during the 08/09 year.

To give Council assurance over the direction that the Trust is taking, the strategies it is adopting and the contribution it is making to Council outcomes, it is important for a high degree of communication to be maintained between the Trust and the Council, and at the appropriate levels; this includes the new CEO of the Trust and the Council Portfolio Manager (now Ian Clements).

We look forward to receiving your draft SOI by Friday 29 February 2008. Once we have received the draft SOI's from CCO's, we will present them, along with our comments, to the CCO Performance Subcommittee (CCOPS) at its meeting in April 2008. Any comments from the Subcommittee will be sent to you following that meeting, with final SOI's to be provided to officers by 20 May 2008 for presentation to CCOPS and SPC for approval in June 2008.

Should you have any queries or comments in regard to this letter please contact Ian Clements in the first instance who would be happy to elaborate on the Council's strategies and the outcomes it is seeking, should you or your board wish to discuss this.

The attachments set out in more detail a number of reporting issues which should be considered in developing your SOI and in reporting to the Council.

Yours sincerely

James Ogden
Chair, Council Controlled Organisations Performance Subcommittee

CC: CEO

8 January 2008

Roger Drumond
Chair
Wellington Cable Car Limited
PO Box 1291
WELLINGTON

Dear Roger

Re: 2008/09 Statement of Intent and Council Expectations

In previous years the Council has outlined its expectations for the Wellington Cable Car Limited to assist the company in its business planning, and to enable it to complete its Statement of Intent (SOI). This letter sets out our current expectations for you to consider in the planning processes for 2008/09 and beyond.

As noted last year, the 'Roche' review of the CCO management and structures undertaken in 2006 endorsed the current model and the quality of the CCO governance and management. It concluded that the current structure was appropriate whilst also identifying a number of ways in which the performance reporting and relationship between the Council and CCO's could continue to be improved.

Potential areas for improvement were brought to the attention of the CCO's in last year's Letter of Expectation (LoE), which led to a marked improvement in the quality of SOI's for the 2007/08 year. Nevertheless, it is important that the CCO's continue to develop the SOI content to more fully reflect the relationship and interest the Council has in this group of organisations.

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and Policy Committee (SPC). SPC resolved the following key tasks for Council's Chief Executive Officer to action:

- to write to the Auditor-General requesting that all 100%-owned CCO's have Audit New Zealand appointed as their auditor; and
- to write to the Council's auditor (Audit New Zealand) requesting that ARMS be provided with an annual summary of any relevant issues arising from the audits of the CCO's in the audit clearance letter and the annual management report.

It was further noted by the SPC that Council's Risk Assurance team had written to all CCO's offering its services to any of them that were considering utilising sub-contracted internal audit resources. This offer has been re-confirmed by the Risk Assurance team and is thus still available to any CCO's wishing to undertake an internal audit.

Specific Issues

The achievement of appropriate and transparent funding for maintenance of the overhead network is expected to be an element of your 2008/09 SOI and business plan. Council officers can work with WCCL to ensure that the funding requirements and processes of the Greater Wellington Regional Council are achieved.

The potential role of WCCL in achieving the Council's broadband strategy is also an important aspect of the alignment between the company and the Council, and it would be useful to see this reflected in the SOI.

The Cable Car precinct project is an important initiative that will require the support and input of WCCL, and warrants recognition in the SOI.

At an operational level, customer service levels provided by the company are vital to the visitor experience and therefore highly influential in terms of the perceptions and reputation of the City. With this in mind, the Council would expect to see a commitment and strategic plans that ensure continued advancement in this area.

With responsibility for transport infrastructure, WCCL has the opportunity to deliver key messages to the public on sustainable transport and help Council to achieve its vision of carbon neutrality. It is important that the company continues to work with Council and to align itself with Council strategies in this area.

We look forward to receiving your draft SOI by Friday 29 February 2008. Once we have received the draft SOI's from CCO's, we will present them, along with our comments, to the CCO Performance Subcommittee (CCOPS) at its meeting in April 2008. Any comments from the Subcommittee will be sent to you following that meeting, with final SOI's to be provided to officers by 20 May 2008 for presentation to CCOPS and SPC for approval in June 2008.

Should you have any queries or comments in regard to this letter please contact Warren Ulusele in the first instance who would be happy to elaborate on the Council's strategies and the outcomes it is seeking, should you or your board wish to discuss this.

The attachments set out in more detail a number of reporting issues which should be considered in developing your SOI and in reporting to the Council.

On behalf of Council, I would like to acknowledge WCCL's continued contribution to Wellington, and particularly to congratulate WCCL on the initial gains made in respect to customer service and recognising the importance that this has for the visitor perceptions of Wellington.

Yours sincerely

Wayne Maxwell
Director, Strategy
Wellington City Council

CC: Brian Brown, General Manager

18 January 2008

Viv Beck
Chairperson
Wellington Museums Trust
PO Box 893
WELLINGTON

Dear Viv

Re: 2008/09 Statement of Intent and Council Expectations

In previous years the Council has outlined its expectations for the Wellington Museums Trust to assist the trust in its business planning, and to enable it to complete its Statement of Intent (SOI). This letter sets out our current expectations for you to consider in the planning processes for 2008/09 and beyond.

As noted last year, the 'Roche Review' review of the CCO management and structures undertaken in 2006 endorsed the current model and the quality of the CCO governance and management. It concluded that the current structure was appropriate whilst also identifying a number of ways in which the performance reporting and relationship between the Council and CCO's could continue to be improved.

Potential areas for improvement were brought to the attention of the CCO's in last year's Letter of Expectation (LoE), which led to a marked improvement in the quality of SOI's for the 2007/08 year. Nevertheless, it is important that CCO's continue to develop the SOI content to more fully reflect the relationship and interest the Council has in this group of organisations.

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Specific Issues

The transition to the new Chair and CEO is expected to be a key element of your 2008/09 SOI and business plan. The changes in governance and management are an opportunity to undertake an assessment of the operating and business model for WMT's facilities. This may include a review of existing operations as well as an assessment of other organisations that could be associated with the WMT in some way.

The City Gallery redevelopment is a Mayoral priority for the triennium. The Council is managing the redevelopment and will continue to engage with the City Gallery and WMT to ensure its success. We expect that the way the Gallery will be managed during the redevelopment and the strategic direction for the Gallery post-redevelopment will be outlined in the SOI.

As you will be aware just before Christmas the Council agreed to take over the project to redevelop the Carter Observatory. At that meeting, Councillors noted that a longer term home for the Carter Observatory may be with the WMT. We look forward to having discussions with you about this possibility.

We look forward to receiving your draft SOI by Friday 29 February 2008. Once we have received the draft SOI's from CCO's, we will present them, along with our comments, to the CCO Performance Subcommittee (CCOPS) at its meeting in April 2008. Any comments from the Subcommittee will be sent to you following that meeting, with final SOI's to be provided to officers by 20 May 2008 for presentation to CCOPS and SPC for approval in June 2008.

Should you have any queries or comments in regard to this letter please contact Sarah Polaschek in the first instance who would be happy to elaborate on the Council's strategies and the outcomes it is seeking, should you or your board wish to discuss this.

The attachments set out in more detail a number of reporting issues which should be considered in developing your SOI and in reporting to the Council.

On behalf of Council, I would like to acknowledge the Trust's continued contribution to Wellington.

Yours sincerely

James Ogden
Chair, Council Controlled Organisations Performance Subcommittee

CC: John Gilberthorpe, CEO

18 January 2008

Michael Cashin
Chairperson
Wellington Waterfront Limited
PO Box 395
WELLINGTON

Dear Michael

Re: 2008/09 Statement of Intent and Council Expectations

In previous years the Council has outlined its expectations for Wellington Waterfront Limited (WWL) to assist the company in its business planning, and to enable it to complete its Statement of Intent (SOI). This letter sets out our current expectations for you to consider in the planning processes for 2008/09 and beyond.

As noted last year, the 'Roche Review' review of the CCO management and structures undertaken in 2006 endorsed the current model and the quality of the CCO governance and management. It concluded that the current structure was appropriate whilst also identifying a number of ways in which the performance reporting and relationship between the Council and CCO's could continue to be improved.

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Specific Issues

WWL's project management of the waterfront development, on Council's behalf, represents a huge opportunity to showcase one of Wellington's biggest assets and must necessarily be done well, within budget and on time. Completion of the waterfront was one of the platforms that the Mayor campaigned on and therefore is a significant priority for this triennium.

As the project moves towards completion we expect the business plan and SOI will reflect the impending end of the project in the medium term and the transition of operational activities back to business as usual functions within the Council at the appropriate stage. This should include detailed asset management plans to enable the smooth transition of maintenance responsibilities from WWL to Council at the appropriate time.

We expect that the SOI will 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. The risk management section should reflect the risks around project timeframes and funding and set out the mitigation strategies to manage these risks.

Also, as highlighted in Annex 1, it is important the Council's funding contribution and status as project owner is appropriately acknowledged by WWL as opportunities arise.

We look forward to receiving your draft SOI by Friday 29 February 2008. Once we have received the draft SOI's from CCO's, we will present them, along with our comments, to the CCO Performance Subcommittee (CCOPS) at its meeting in April 2008. Any comments from the Subcommittee will be sent to you following that meeting, with final SOI's to be provided to officers by 20 May 2008 for presentation to CCOPS and SPC for approval in June 2008.

Should you have any queries or comments in regard to this letter please contact Sarah Polaschek in the first instance who would be happy to elaborate on the Council's strategies and the outcomes it is seeking, should you or your board wish to discuss this.

The attachments set out in more detail a number of reporting issues which should be considered in developing your SOI and in reporting to the Council.

On behalf of Council, I would like to acknowledge the Company's continued contribution to Wellington.

Yours sincerely

James Ogden
Chair, Council Controlled Organisations Performance Subcommittee

CC: Ian Pike, CEO

18 January 2008

Denise Church
Chair
Wellington Zoo Trust
200 Daniell Street
Newtown
WELLINGTON

Dear Denise

Re: 2008/09 Statement of Intent and Council Expectations

In previous years the Council has outlined its expectations for the Wellington Zoo Trust to assist the trust in its business planning, and to enable it to complete its Statement of Intent (SOI). This letter sets out our current expectations for you to consider in the planning processes for 2008/09 and beyond.

As noted last year, the 'Roche Review' of the CCO management and structures undertaken in 2006 endorsed the current model and the quality of the CCO governance and management. It concluded that the current structure was appropriate whilst also identifying a number of ways in which the performance reporting and relationship between the Council and CCO's could continue to be improved.

Potential areas for improvement were brought to the attention of the CCO's in last year's Letter of Expectation (LoE), which led to a marked improvement in the quality of SOI's for the 2007/08 year. Nevertheless, it is important that CCO's continue to develop the SOI content to more fully reflect the relationship and interest the Council has in this group of organisations.

As well as this, the Council would like to continue to raise the standards of risk management across CCO's. The CCO's, as a whole, manage significant assets or activities that carry a range of risks for the city whether that is infrastructure, capital development or delivering programmes that enhance the city's position. An annex is attached to this letter which discusses effective risk management for your consideration.

Further to this, in 2007, Council commissioned Roy Tiffin to undertake a review of Council's CCO Performance Subcommittee and its Audit and Risk Management Subcommittee (ARMS) for presentation to Council's Strategy and Policy Committee (SPC). SPC resolved the following key tasks for Council's Chief Executive Officer to action:

- to write to the Auditor-General requesting that all 100%-owned CCO's have Audit New Zealand appointed as their auditor, and

- to write to the Council's auditor (Audit New Zealand) requesting that ARMS be provided with an annual summary of any relevant issues arising from the audits of the CCO's in the audit clearance letter and the annual management report.

It was further noted by the SPC that Council's Risk Assurance team had written to all CCO's offering its services to any of them that were considering utilising sub-contracted internal audit resources. This offer has been re-confirmed by the Risk Assurance team and is thus still available to any CCO's wishing to have undertaken an internal audit function.

Specific Issues

The management and implementation of the Zoo Capital Plan (ZCP) is expected to be a key element of your SOI and your 2008/09 business plan. In 2007, the Zoo Trust's revision to the ZCP was approved, acknowledging the rationale used and accepting that the key drivers were being adhered to. It is critical that the risk management for this project is well managed and the Trust should continue to ensure that the appropriate expertise and skills are in place at both governance and management levels to deliver the planned projects on time, on budget, to a good quality, and appropriately funded by Zoo Trust external sponsorship.

One of the key reasons that Council approved the ZCP was on the basis that over the 10 year duration of the project, the ZCP would contribute a net surplus of \$3 million to the Zoo Trust's operating position. Accordingly, Council would like the Zoo to continue to focus on reducing its dependence on Council funding over time and ensure that strategies to reflect this are set out in the SOI and business plan. Initially we would expect operating surpluses to strengthen the trust's reserves position, and thereafter to result in a decreased level of Council operating funding. We note that last year the Zoo signalled a forecast visitor number increase of 2 percent per annum, and would reiterate the importance of there being a corresponding increase in revenue.

The Zoo Trust has the opportunity to reach a vast number of Wellingtonians, given that almost half of all Wellingtonians visit the Zoo annually. This affords the Zoo the opportunity to deliver key messages to the public on conservation and sustainable living and help Council to achieve its vision of carbon neutrality. It is important that the trust continues to work with Council and to align itself with Council strategies in this area.

We look forward to receiving your draft SOI by Friday 29 February 2008. Once we have received the draft SOI's from CCO's, we will present them, along with our comments, to the CCO Performance Subcommittee (CCOPS) at its meeting in April 2008. Any comments from the Subcommittee will be sent to you following that meeting, with final SOI's to be provided to officers by 20 May 2008 for presentation to CCOPS and SPC for approval in June 2008.

Should you have any queries or comments in regard to this letter please contact Ian Clements in the first instance who would be happy to elaborate on the Council's strategies and the outcomes it is seeking, should you or your board wish to discuss this.

The attachments set out in more detail a number of reporting issues which should be considered in developing your SOI and in reporting to the Council.

On behalf of Council, I would like to acknowledge the Zoo's continued contribution to Wellington, and particularly to congratulate the Trust on your impressive fund-raising efforts to date.

Yours sincerely

James Ogden
Chair, Council Controlled Organisations Performance Subcommittee

CC: Karen Fifield, CEO

8 January 2008

Paul Collins
Chair
Wellington Regional Stadium Trust
PO Box 1432
Wellington

Dear Paul

Re: 2008/09 Statement of Intent and Council Expectations

In previous years the Council has outlined its expectations for the Wellington Regional Stadium Trust to assist the trust in its business planning, and to enable it to complete its Statement of Intent (SOI). This letter sets out our current expectations for you to consider in the planning processes for 2008/09 and beyond.

Potential areas for improvement were identified in last year's Letter of Expectation (LoE), which led to a marked improvement in the quality of SOI's for the 2007/08 year. Nevertheless, it is important that we continue to develop the SOI content to more fully reflect the relationship and interest the Council has in various organisations that the Council is involved with.

As well as this, the Council would like to continue to raise the standards of risk management across the companies and Trusts that the Council has an interest in. The various CCO's, and the WRST, manage significant assets or activities that carry a range of risks for the city whether that is infrastructure, capital development or delivering programmes that enhance the city's position. An annex is attached to this letter which discusses effective risk management for your consideration.

Specific Issues

The management of the congested scheduling demands while ensuring ground quality and appropriate asset maintenance of the ground and facilities is expected to be a key element of the 2008/09 SOI and business plan.

Wellington City Council is interested in understanding how WRST plans to address the potential impacts of declining attendance numbers, e.g. Air New Zealand Cup revenue streams and changing levels of patterns of demand for

corporate boxes. Following from this, the Council would expect to see the Trust's long term plan for the repayment of the Wellington City Council loan.

As a major international event, we would expect to the SOI and Business Plan to provide an indication of the preparations that the WRST intend to put in place for the 2011 Rugby World Cup and the intended response to the challenges of the post-event environment with significantly upgraded Stadia elsewhere in the country i.e. Auckland and Christchurch.

It is also important to the Council that the Stadium, as a City and Regional facility, supports a broad range of community events and co-ordinated city-wide event management. Of particular importance will be the commitment to a broad event schedule and an explanation of how the Trust intends to work with the Council in achieving a co-ordinated approach to event scheduling within the City.

We look forward to receiving your draft SOI by Friday 29 February 2008. Once we have received the draft SOI's, we will present them, along with our comments, to the CCO Performance Subcommittee (CCOPS) at its meeting in April 2008. Any comments from the Subcommittee will be sent to you following that meeting, with final SOI's to be provided to officers by 20 May 2008 for presentation to CCOPS and SPC for approval in June 2008.

Should you have any queries or comments in regard to this letter please contact Warren Ulusele in the first instance who would be happy to elaborate on the Council's strategies and the outcomes it is seeking, should you or your board wish to discuss this.

The attachments set out in more detail a number of reporting issues which should be considered in developing your SOI and in reporting to the Council.

On behalf of Council, I would like to acknowledge the WRST's continued valuable contribution to Wellington's event scene, and particularly to congratulate the Trust on operating on a sound commercial basis and maintaining high levels of positive visitor experience as reflected in the Council's resident satisfaction surveys.

Yours sincerely

Wayne Maxwell
Director, Strategy
Wellington City Council

CC: David Gray, CEO

18 January 2008

Richard Bentley
Chair
Karori Wildlife Sanctuary Trust
31 Waiapu Road
Karori
WELLINGTON

Dear Richard

Re: 2008/09 Statement of Intent and Council Expectations

As you will be aware, due to the Council's increased funding interests in the Karori Wildlife Sanctuary (KWS), we have agreed to bring KWS into the Council's formal monitoring programme. This agreement is reflected in the Council/KWS funding deed, signed at the end of 2007.

A key element of this monitoring regime is the formation of an agreed Statement of Intent (SOI) and Business Plan. To help KWS in forming its draft SOI, the Council outlines its expectations and particular areas of emphasis annually through this letter of expectation.

By way of further background, a review of the CCO management and structures undertaken in 2006 endorsed the current model and the quality of the CCO governance and management. It concluded that the current structure was appropriate whilst also identifying a number of ways in which the performance reporting and relationship between the Council and CCO's could continue to be improved.

Potential areas for improvement were brought to the attention of CCO's in last year's Letter of Expectation (LoE), which led to a marked improvement in the quality of SOI's for the 2007/08 year. Nevertheless, it is important that CCO's continue to develop the SOI content to more fully reflect the relationship and interest the Council has in this group of organisations.

As well as this, the Council would like to continue to raise the standards of risk management across CCO's. The CCO's, as a whole, manage significant assets or activities that carry a range of risks for the city whether that is infrastructure, capital development or delivering programmes that enhance the city's position. An annex is attached to this letter which discusses effective risk management for your consideration.

You should also be aware that the Council's Risk Assurance team has offered its services to any CCO that is considering utilising sub-contracted internal audit resources.

Specific Issues

The management and implementation of the Gateway Project is expected to be a key element of your SOI and your 2008/09 business plan. It is critical that the risk management for this project is well managed and the Trust should continue to ensure that the appropriate expertise and skills are in place at both governance and management levels to deliver the planned project on time, on budget, to a good quality. 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.

One of the key reasons that Council approved the Gateway Project was on the basis that the Sanctuary would become self sufficient in its operating position. Accordingly, Council would like the Sanctuary to continue to focus on reducing its dependence on Council funding over time and ensure that strategies to reflect this are set out in the SOI and business plan. This includes how the Trust intends to manage the transition from current operations to the new visitor centre model and to consider the long term operating costs for the Sanctuary and to consult with the Council on the Sanctuary's forecasts and recommendations.

With its current operations the Sanctuary has had the opportunity to reach a vast number of Wellingtonians. This affords the Sanctuary the opportunity to deliver key messages to the public on conservation and sustainable living and help Council to achieve its vision of carbon neutrality. It is important that the trust continues to work with Council and to align itself with Council strategies in this area particularly with the opening of the new Centre and the increase of local, national and international visitor numbers.

To achieve these increases in visitor numbers Council anticipates that there will be a strong push by the Trust 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.

We look forward to receiving your draft SOI by Friday 29 February 2008. Once we have received the draft SOI's from CCO's, we will present them, along with our comments, to the CCO Performance Subcommittee (CCOPS) at its meeting in April 2008. Any comments from the Subcommittee will be sent to you following that meeting, with final SOI's to be provided to officers by 20 May 2008 for presentation to CCOPS and SPC for approval in June 2008.

Should you have any queries or comments in regard to this letter please contact Kate Neilson in the first instance who would be happy to elaborate on the Council's strategies and the outcomes it is seeking, should you or your board wish to discuss this.

The attachments set out in more detail a number of reporting issues which should be considered in developing your SOI and in reporting to the Council.

On behalf of Council, I would like to acknowledge the Sanctuary's continued contribution to Wellington, and particularly to congratulate the Trust on your impressive fund-raising efforts to date.

Yours sincerely

James Ogden
Chair, Council Controlled Organisations Performance Subcommittee

CC: Nancy Ward, CEO