
REPORT 4
(1215/52/02IM)

REVIEW OF THE 2006/07 ANNUAL REPORTS AND FINANCIAL STATEMENTS OF COUNCIL ORGANISATIONS AND OTHER ENTITIES

1. Purpose

This report reviews the annual reports or financial statements submitted by Council Organisations (COs) and a number of other external organisations. The purpose of this report is to highlight any of issues that the Subcommittee needs to consider.

2. Recommendations

It is recommended that the Subcommittee

- 1. Receive the information.*
- 2. Confirm that there are no issues for the Chair of this Subcommittee to raise with the Council Organisations.*
- 3. Confirm that there are no issues to raise with the Strategy and Policy Committee.*

3. Background

Section 65 of the Local Government Act 2002 requires the Council to “...regularly undertake performance monitoring of that organisation to evaluate its contribution to the achievement of –

- (a) the local authority’s objectives for the organisation: and....
- (c) the overall aims and outcomes of the local authority.”

In many cases the objective and desired outcome of the Council’s involvement in and/or funding of a CO’s activities is not explicitly stated. This review is an initial step in that process. A number of other entities that are not classified as

COs¹ have also been reviewed due to the financial commitment by the Council to those entities.

The annual reports received from COs have been reviewed by officers to assess any risks or issues from the perspective of the Council's interest. It is the Subcommittee's role to review this report and bring any matters of importance to the Strategy and Policy Committee's attention.

A paper was tabled at the Subcommittee meeting of 2 October 2007, which included those CO annual reports received at that time. This paper covers the remaining Council Organisations whose financial reports for 2006/07 have subsequently been received.

4. Organisations Reviewed

The following Council Organisations have been included in this review:

Organisation	Council Relationship
Now included with CCO reporting to CCOPS	
Wellington International Airport Ltd	34% Shareholding plus \$14m debt
Karori Wildlife Sanctuary Trust	Significant Funding
Carter Observatory Board	Funding
Marine Education Centre	Funding
Included in the 2 October 2007 report to CCOPS	
Creative Communities Scheme	Administration of this scheme
Wellington City Lender of Last Resort Trust	Grant funding
Lyll Bay Reef Charitable Trust	Nil
Joe Aspell Trust	Accounting and audit services
Wellington Regional Orchestra Foundation Inc. ¹	Grant Funding
Included in this (20 June 2008) report	
Museum of New Zealand Te Papa Tongarewa ¹	Funding
Wellington Youth Orchestra	Grant funding
Adam Foundation Trust	Nil
Hannah Playhouse Trust	44% shareholding
NZ International Festival of the Arts Trust	Funding
Wellington Region 2020 Communications Trust	Grant Funding
Hutt Minoh Friendship House Trust	Nil

¹ To be a Council Organisation requires the Council to have the right to or to have board representation

¹ Whilst they aren't COs, financial information has been provided from these entities due to the level of financial support provided to them.

Wellington Xiamen Association	Grant Funding
Sink F69 Trust ¹	Underwrite agreement to 600,000

The New Zealand Film and Television School, the New Zealand Schools of Dance and Drama Premises Management Trust and the Film Archive have been removed from this report as the Council loans have been repaid by these organisations.

There are a number of other entities that may also fall within the CO classification and the CCO unit will endeavour to update the Council records to keep them abreast of these organisations.

5. Discussion

The annual report of each organisation has been reviewed and summarised in the attached appendix. There are no significant issues with the organisations included in this report.

The Council is still to receive audited accounts from the Sink F69 Trust to enable the underwrite agreement with the Council to be terminated and the funds owed to the Council repaid. The Subcommittee wrote to the chair of the Trust in the first quarter 2007 in relation to this. The Trust has limited resources and activities and does not appear to be progressing resolution of the matter.

The Festival of Japan Trust, the Christmas Parade Trust and the NZ Academy of Sport Central have been wound up or are in the process of closing. The activities of the Christmas Parade Trust are being managed by the Council events team. The NZ Academy of Sport Central was closed following a review which recommended consolidating the sport academies in fewer locations.

6. Conclusion

The review of the Annual Reports provides an opportunity for the CCO Performance Subcommittee to identify any particular issues that need to be explored with the entities. It is proposed that the Subcommittee identify these issues for the CCO Unit to take up with each relevant Chair and raise at the next Strategy and Policy Committee.

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Supporting Information
<p>1) Strategic Fit / Strategic Outcome <i>These entities and projects support the achievement of a range of outcomes across most strategy areas. Where relevant, reference is made to the 2006/07 Annual Plan.</i></p>
<p>2) LTCCP/Annual Plan reference and long term financial impact <i>Please refer to section 4 of the report.</i></p>
<p>3) Treaty of Waitangi considerations <i>This report raises no new treaty considerations. Where appropriate the entities do consult with the Council's Treaty Relations unit, and with the Tenth Trust, as part of normal operations.</i></p>
<p>4) Decision-Making <i>This is not a significant decision.</i></p>
<p>5) Consultation a) General Consultation <i>Not applicable</i></p> <p>b) Consultation with Maori <i>See section 3, above.</i></p>
<p>6) Legal Implications <i>There are no new legal issues raised in this report.</i></p>
<p>7) Consistency with existing policy <i>This report is consistent with existing WCC policy.</i></p>