
Council Controlled Organisations Governance and Monitoring Committee

OPEN MINUTES

Minutes of a meeting of the Council Controlled Organisations Governance and Monitoring Committee held in the Reception Lounge, Level 2, Auckland Town Hall, 301-305 Queen Street, Auckland on Tuesday, 3 December 2013 at 1.00pm.

PRESENT

Chairperson	Penny Hulse	
Deputy Chairperson	Calum Penrose	
Members	Cr Anae Arthur Anae Cr Cameron Brewer Cr Dr Cathy Casey Cr Ross Clow Cr Linda Cooper, JP Cr Chris Darby Cr Denise Krum Cr Penny Webster Member Glenn Wilcox Cr George Wood, CNZM	
Ex-officio	Mayor Len Brown, JP	until 1.47pm, item 9

APOLOGIES

Member Precious Clark	absence
Cr Dick Quax	absence
Mayor Len Brown	early departure

ALSO PRESENT

Cr Bill Cashmore

IN ATTENDANCE

1 Apologies

Resolution number COU/2013/1

MOVED by Chairperson PA Hulse, seconded by Deputy Chairperson CM Penrose:

That the Council Controlled Organisations Governance and Monitoring Committee:

- a) **accept the apology from Cr Dick Quax and Member Precious Clark for absence, and from the Mayor Len Brown for early departure.**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

There were no minutes for confirmation.

4 Petitions

There were no petitions.

5 Public Input

There was no public input.

6 Local Board Input

There was no local board input.

7 Extraordinary Business

There was no extraordinary business.

8 Notices of Motion

There were no notices of motion.

9 Annual Letters of Expectation for Council Controlled Organisations

A PowerPoint presentation was given in support of the report.

A copy of the presentation is attached to the original of these minutes and is available on the Auckland Council website.

Resolution number COU/2013/2

MOVED by Cr LA Cooper, seconded by Cr MP Webster:

That the Council Controlled Organisations Governance and Monitoring Committee:

a) receive the report.

CARRIED

Member LCM Brown left the meeting at 01:47 pm.

Member G Wilcox left the meeting at 02:08pm.

Cr RI Clow left the meeting at 02:10 pm.

Cr RI Clow returned to the meeting at 02:13 pm.

Member G Wilcox returned to the meeting at 02:14 pm.

Member G Wilcox left the meeting at 02:20 pm.

Member G Wilcox returned to the meeting at 02:22 pm.

Resolution number COU/2013/3

MOVED by Cr RI Clow, seconded by Cr C Darby:

That the Council Controlled Organisations Governance and Monitoring Committee:

- a) approve the Letters of Expectation for Auckland Council Investments Limited, Auckland Council Property Limited, Auckland Tourism Events and Economic Development, Auckland Transport, Regional Facilities Auckland Limited, Watercare Services Limited and Waterfront Auckland.**
- b) authorise the Mayor to approve the final 2014/2015 Letters of Expectation for the substantive Council Controlled Organisations, incorporating any changes agreed by this committee and minor editorial changes.**
- c) delegate to the Deputy Mayor responsibility for receiving further feedback from Councillors and developing a final draft letter of expectation for Auckland Transport that incorporates that feedback where possible.**
- d) agree that Auckland Council Property Limited, Auckland Transport, Watercare and Waterfront Auckland are expected to identify and report how they will continually improve the quality of urban design outcomes.**

CARRIED

Attachments

A PowerPoint Presentation

10 Legacy CCOs Annual Report to 30 June 2013

Resolution number COU/2013/4

MOVED by Cr GS Wood, seconded by Cr RI Clow:

That the Council Controlled Organisations Governance and Monitoring Committee:

- a) **receive the annual reports of the Contemporary Art Foundation, Te Puru Community Charitable Trust and COMET Auckland.**

CARRIED

11 Council Controlled Organisations - Board Observer Programme

Resolution number COU/2013/5

MOVED by Cr GS Wood, seconded by Deputy Chairperson CM Penrose:

That the Council Controlled Organisations Governance and Monitoring Committee:

- (a) **appoint Cr MP Webster and Member G Wilcox from the CCO Governance and Monitoring Committee to the Board Observer Appointment Panel**

CARRIED

12 **Substantive Council Controlled Organisations (CCOs) and Tamaki Redevelopment Company Limited (TRC) - Shareholders' Annual General Meeting**

Resolution number COU/2013/6

MOVED by Cr GS Wood, seconded by Deputy Chairperson CM Penrose:

That the Council Controlled Organisations Governance and Monitoring Committee:

- a) **agree that Chairperson PA Hulse, as chair of the CCO Governance and Monitoring Committee, be authorised as Auckland Council's shareholder representative to execute a written resolution in lieu of an annual meeting of the shareholder for the following companies:**
 - i) **Auckland Council Investments Limited;**
 - ii) **Auckland Council Property Limited;**
 - iii) **Auckland Tourism, Events and Economic Development Limited;**
 - iv) **Auckland Waterfront Development Agency Limited;**
 - v) **Regional Facilities Auckland Limited; and**
 - vi) **Watercare Services Limited.**
- b) **agree that Chairperson PA Hulse be authorised to execute any document or shareholder resolution on behalf of Council, and give any notifications to the CCOs as necessary or convenient to give effect to the foregoing resolutions.**
- c) **agree that Chairperson PA Hulse, as chair of the CCO Governance and Monitoring Committee, be authorised by Auckland Council as its representative of the jointly owned company Tamaki Redevelopment Company Limited, to execute a written shareholders resolution in lieu of an annual meeting of the shareholder.**
- d) **agree that Chairperson PA Hulse be authorised to execute any document or shareholder resolution on behalf of Auckland Council, and give any notifications to the jointly owned company Tamaki Redevelopment Company Limited as necessary or convenient to give effect to the shareholders foregoing resolutions.**

CARRIED

13 New Zealand Local Government Funding Agency - Annual Report

Resolution number COU/2013/7

MOVED by Cr GS Wood, seconded by Cr MP Webster:

That the Council Controlled Organisations Governance and Monitoring Committee:

- a) **receive the annual report of New Zealand Local Government Funding Agency Limited (LGFA) noting that:**
 - i) **LGFA achieved four of the six non-financial performance targets that could be measured during the 2012/13 financial year.**
 - ii) **The LGFA paid a dividend of \$1.515 million to shareholders including \$113,078 to Auckland Council.**
- b) **receive the LGFA 2013/14 first quarter report, noting that:**
 - i) **company is continuing to perform well, with the performance targets that LGFA has a high degree of control over being achieved.**
 - ii) **market conditions have impacted on LGFA's performance in relation to the estimated interest cost savings, and average cost of funds relative to NZ Government Stock (NZGS).**

CARRIED

14 Substantive CCO first quarter reports

Resolution number COU/2013/8

MOVED by Cr LA Cooper, seconded by Deputy Chairperson CM Penrose:

That the Council Controlled Organisations Governance and Monitoring Committee:

- a) receive the report from Auckland Council Investments Ltd noting:
 - i) the improved surplus of \$28.6 m due to higher dividends from AIAL and lower tax expense; and
 - ii) the return on Council's Diversified Financial Asset portfolio is ahead of the benchmark.
- b) receive the report from Auckland Council Properties Ltd noting:
 - i) the operating surplus of \$10 m is \$2.2 m better than budget. This is a timing difference that will even out during the year.
- c) receive the report from Auckland Tourism, Events and Economic Development noting:
 - i) an operating surplus of \$2.4 m has been achieved against a budget deficit of \$1.4 m.
- d) receive the report from Auckland Transport noting:
 - i) a lower than expected operating surplus due to reduced NZTA capital income resulting from the current level of capital spend; and
 - ii) capital expenditure of \$115.9 m is \$57.3 m less than forecast.
- e) receive the report from Regional Facilities Auckland noting:
 - i) the operating deficit before tax of \$0.7 m is \$0.4 m better than budget, due to improved revenue and cost control; and
 - ii) the capital expenditure programme of \$2.7 m is in line with budget.
- f) receive the report from Watercare Services Limited noting:
 - i) the operating deficit before revaluation of derivatives is \$1.5 m, an improvement on the budget; and
 - ii) that capital expenditure for the quarter is 93% of budget.
- g) receive the report from Waterfront Auckland noting:
 - i) that WDA incurred a small operating loss of \$1.3 m in line with budget; and
 - ii) that capital expenditure \$7.7 m was 89% of budget.

CARRIED

15 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

16 Procedural motion to exclude the public

Resolution number COU/2013/9

MOVED by Chairperson PA Hulse, seconded by Cr LA Cooper:

That the Council Controlled Organisations Governance and Monitoring Committee:

- a) **exclude the public from the following part(s) of the proceedings of this meeting.**
- b) **agree that Debra Lawson, Chief Executive Tamaki Redevelopment Corporation Limited (TRC), Shelley Katae, CFO TRC, and Martin Udale, TRC Board Chair, be permitted to remain for the Confidential item C1: Tamaki Redevelopment Corporation Limited (TRC) – First quarter report (1 July – 30 September 2013), after the public has been excluded, because of their knowledge of the issue, which will help the Council Controlled Organisations Governance and Monitoring Committee in its decision-making.**
- c) **note that Margi Watson, Member Albert-Eden Local Board, will be in attendance for the Confidential item C2: Mount Albert Grammar School Community Swimming Pool Trust – Trustees appointments.**
- c) **agree that Gary Swift, Chief Executive ACIL, be permitted to attend the Confidential item C3: Ports of Auckland Limited Director Appointments, Briefing by ACIL, because of his knowledge of the issue, which will help the Committee in its decision-making.**
- d) **agree that Mihi Harris-Brown, Senior Monitoring and Evaluation Advisor to the Independent Māori Statutory Board be permitted to remain in the confidential section of the meeting.**

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 Tamaki Redevelopment Corporation Limited (TRC) - First Quarter Report (1 July - 30 September 2013)

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). In particular, council is currently engaged in commercially sensitive negotiations with Crown concerning a joint enterprise with commercial functions and involving potential asset-based transactions..	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C2 Mount Albert Grammar School Community Swimming Pool Trust - Trustee appointments

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. In particular, the report contains information about the appointment of individuals to the trust, that should be kept confidential to protect their privacy. .	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C3 Ports of Auckland Limited Director Appointments, Briefing by ACIL

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. In particular, the report contains information about candidates for Ports of Auckland Board of directors, which is confidential to protect the identify of candidates being considered. .	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C4 Council Controlled Organisations (CCOs) - Board Appointment : Watercare Services Limited (WSL)

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. In particular, the report contains specific information about the appointment of the Deputy Chair, Watercare Services Limited and contains specific information regarding potential candidates. .	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C5 Appointments to a CO and legacy CCOs, establishment of a new Council Organisation Appointment Approvals Panel

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. In particular, the report contains specific information about potential board appointments for legacy council controlled organisations (Te Puru Community Charitable Trust, Arts Regional Trust Te Taumata Toi a Iwi and COMET)..	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C6 CCO Director Remuneration Review 2013

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. In particular, the report contains information about the proposed remuneration of individuals that should be confidential until a decision is made..	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

The text of these resolutions is made available to the public who are present at the meeting and form part of the minutes of the meeting.

CARRIED

2.48pm The public was excluded.

2.48pm The meeting adjourned.

2.54pm The meeting reconvened in confidential.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available.

4.35pm The public was re-admitted.

RESTATEMENTS

It was resolved while the public was excluded:

C1 Tamaki Redevelopment Corporation Limited (TRC) - First Quarter Report (1 July - 30 September 2013)

That the Council Controlled Organisations Governance and Monitoring Committee:

- a) receive the First Quarter report for the period 1 July 2013 to 30 September 2013, received from the Tamaki Redevelopment Company Limited.
- b) thank the presenters for their time and good work.

C2 Mount Albert Grammar School Community Swimming Pool Trust - Trustee appointments

That the Council Controlled Organisations Governance and Monitoring Committee:

- c) agree that the resolutions be restated in the open section of the minutes once the named trustees are informed.

C3 Ports of Auckland Limited Director Appointments, Briefing by ACIL

That the Council Controlled Organisations Governance and Monitoring Committee:

- a) provide feedback to Auckland Council Investments Limited, for its consideration prior to appointing two directors and Chair to the board of Ports of Auckland Limited.
- b) thank Gary Swift, Chief Executive of Auckland Council Investments Limited, and Konstantin Babiy, Senior Business Analyst, for their attendance.
- c) agree that the resolutions be restated in the open section of the minutes.

C4 Council Controlled Organisations (CCOs) - Board Appointment : Watercare Services Limited (WSL)

That the Council Controlled Organisations Governance and Monitoring Committee:

- d) agree that resolution (a) be restated in the open section of the minutes once the appointee is notified and a joint media announcement between Council and Watercare Services Limited has been approved and released.
- e) agree that resolutions (b) and (c) are not restated in the open section of the minutes until the appointment process is completed.

C5 Appointments to a CO and legacy CCOs, establishment of a new Council Organisation Appointment Approvals Panel

That the Council Controlled Organisations Governance and Monitoring Committee:

- a) note that Te Puru Community Charitable Trust appointed Yvonne Costar as of 18 June 2013 to fill a casual vacancy. Her term expires on 30 June 2014.
- d) delegate all Council Organisation trustee appointments to a Council Organisation Appointment Approvals Panel. The COAAP comprises the Chair and Deputy Chair of the CCO Governance and Monitoring Committee, the Chief Executive (or his representative), the relevant Local Board Chair and a member of the Independent Maori Statutory Board.
- e) agree that a report be provided to the Committee twice a year, advising of any appointments made to Council Organisations by the COAAP.
- f) note the (previous) COAAP appointed Noel Robinson to the Auckland Airport Community Trust for a period of 3 years from 1 November 2013.
- g) agree that resolutions a), d) – f) be restated in the open minutes after the meeting.
- h) agree that resolutions b) and c) be restated in the open minutes once the appointees have been notified.

C6 CCO Director Remuneration Review 2013

That the Council Controlled Organisations Governance and Monitoring Committee:

- d) agree that these resolutions be restated in the open section of the minutes after CCO boards have been informed.

4.35 pm

The Chairperson thanked Members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF THE COUNCIL CONTROLLED
ORGANISATIONS GOVERNANCE AND
MONITORING COMMITTEE HELD ON

DATE:.....

CHAIRPERSON:.....