



I hereby give notice that an ordinary meeting of the Council Controlled Organisations Governance and Monitoring Committee will be held on:

Date: Wednesday, 6 August 2014
Time: 9.30am
Meeting Room: Reception Lounge, Level 2
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Council Controlled Organisations Governance and Monitoring Committee

OPEN AGENDA

MEMBERSHIP

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

(Quorum 7 members)

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30 July 2014

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Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.

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1 Apologies

Apologies from Cr D Quax, Cr LA Cooper and Chairperson PA Hulse for absence have been received.

2 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

3 Confirmation of Minutes

That the Council Controlled Organisations Governance and Monitoring Committee:

- a) confirm the ordinary minutes of its meeting, held on Wednesday, 2 July 2014, including the confidential section, as a true and correct record.

4 Petitions

At the close of the agenda no requests to present petitions had been received.

5 Public Input

Standing Order 3.21 provides for Public Input. Applications to speak must be made to the Committee Secretary, in writing, no later than **two (2)** working days prior to the meeting and must include the subject matter. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders. A maximum of **thirty (30) minutes** is allocated to the period for public input with **five (5)** minutes speaking time for each speaker.

At the close of the agenda no requests for public input had been received.

6 Local Board Input

Standing Order 3.22 provides for Local Board Input. The Chairperson (or nominee of that Chairperson) is entitled to speak for up to **five (5)** minutes during this time. The Chairperson of the Local Board (or nominee of that Chairperson) shall wherever practical, give **two (2)** days notice of their wish to speak. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders.

This right is in addition to the right under Standing Order 3.9.14 to speak to matters on the agenda.

At the close of the agenda no requests for local board input had been received.

7 Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
 - (i) The reason why the item is not on the agenda; and
 - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
 - (i) That item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

8 Notices of Motion

At the close of the agenda no requests for notices of motion had been received.

Council Controlled Organisations 2014-2017 Statements of Intent

File No.: CP2014/15130

Purpose

1. To agree on the final 2014-2017 Statements of Intent (SOI) for the Council Controlled Organisations (CCOs).

Executive summary

2. At the 1 April meeting, the CCO Governance and Monitoring Committee approved the shareholder comments on the draft SOIs. Following consideration of council's shareholder comments at public board meetings, the CCOs have delivered their final SOIs.
3. The final SOIs have been reconciled against the shareholder comments, with a full reconciliation provided as an attachment for the substantive CCOs.
4. Auckland Council Property Limited (ACPL), Auckland Tourism, Events and Economic Development (ATEED), Regional Facilities Auckland (RFA), Watercare and Waterfront Auckland reflected the shareholder comments in the final SOIs. Auckland Council Investments Limited (ACIL) and Auckland Transport reflected the shareholder comments in the final SOIs with the exception of one each.
5. ACIL did not include a shareholder request to insert a bullet point that Auckland Film Studios Limited (AFSL) increase focus and reporting on contribution to Māori through specific initiatives, engagement and business performance.
6. Given the nature and size of AFSL, it is unlikely that AFSL would be able to adequately meet this shareholder expectation on this point. Therefore, it is recommended that no modification be requested on the SOI.
7. Auckland Transport was requested to include a comment that they identify mechanisms to capture financial information in relation to projects and programmes which contribute to Auckland Transport's responsiveness to Māori, and will include such information in quarterly reports to Auckland Council.
8. Auckland Transport has committed to providing adequate reporting to council, and has made improvements in their reporting contribution to Māori outcomes. As a result, no comment was added. It is recommended that no modification be requested on the SOI with on-going monitoring undertaken through the CCO Governance and Monitoring Committee quarterly performance reporting.
9. SOIs for Comet Auckland, Te Puru Community Charitable Trust and the Contemporary Art Foundation were received on 30 June 2014. The shareholder comments have been considered, and appropriate changes have been made to the SOIs.

Recommendation/s

That the Council Controlled Organisations Governance and Monitoring Committee:

- a) note the shareholder comments that have not been addressed by Auckland Council Investments Limited and Auckland Transport, with further discussion held through the CCO Governance and Monitoring Committee quarterly performance reviews.
- b) agree the Statement of Intent of Auckland Council Investments Limited, Auckland Council Property Limited, Auckland Tourism Events and Economic Development Limited, Auckland Transport, Regional Facilities Auckland, Watercare Services Limited and Waterfront Auckland for the period 1 July 2014 to 30 June 2017.
- c) agree the Statement of Intent for Comet Auckland, Te Puru Community Charitable Trust and the Contemporary Art Foundation for the period 1 July 2014 to 30 June 2017.

Comments

Background

10. Agreeing the final SOIs for the period 1 July 2014 to 30 June 2017 is the final step in a process that commenced with agreeing the Letter of Expectation in December 2013. Since then, the process has covered the following steps:
 - a) On 1 March 2014, the CCOs submitted a draft SOI to Auckland Council
 - b) In April, the CCO Governance and Monitoring Committee agreed shareholder comments on the draft SOIs, which were sent to CCO board chairs.
 - c) CCOs considered the shareholder comments at public meetings through May and June 2014
 - d) On 30 June 2014, the CCOs delivered their board approved SOIs to council
 - e) Council staff reconciled the final SOIs to the shareholder comments.
11. This report provides detail on how the final SOIs reflected the shareholder comments. It focuses on the exceptions where the CCOs have not adequately responded to the shareholder comments, with a full reconciliation provided as an attachment.
12. If a change is required, the CCO Governance and Monitoring Committee can resolve to request the CCO board to modify the SOI.

Auckland Council Investments Limited

13. The ACIL board considered council's shareholder comments at its 4 June 2014 board meeting. The ACIL board satisfactorily addressed the shareholder comments, with the exception of one.
14. ACIL did not include for Auckland Film Studios Limited (AFSL) the bullet point, "Encourage AFSL to increase focus and reporting on contribution to Māori through specific initiatives, engagement and business performance" in the final SOI.
15. This was requested as an equivalent bullet point that is included for the other two ACIL shareholdings (Ports of Auckland Limited and Auckland International Airport Limited).
16. ACIL have not included this bullet point in the final SOI on the basis that AFSL owns land and buildings in Henderson which are leased from time to time for film, television and commercial producers to use for the production of film media. AFSL does not deliver film or TV productions. It only rents its land and building for producers to use for those purposes. AFSL has only one employee, a site manager, who is very much focussed on the day to day maintenance and property management. As such, it is not reasonable for AFSL to deliver on this shareholder request.
17. It is therefore recommended that no modification is requested, and the ACIL 2014-2017 SOI be agreed.

Auckland Council Property Limited

18. The ACPL board considered council's shareholder comments at its 26 June 2014 board meeting. The ACPL board satisfactorily addressed all shareholder comments.
19. It is therefore recommended that the ACPL 2014-2017 SOI be agreed.

Auckland Tourism, Events and Economic Development Limited

20. The ATEED board considered council's shareholder comments at its 27 June 2014 board meeting. The ATEED board satisfactorily addressed all shareholder comments.
21. It is therefore recommended that the ATEED 2014-2017 SOI be agreed.

Auckland Transport

22. The Auckland Transport board considered council's shareholder comments at its 24 June 2014 board meeting. The Auckland Transport board satisfactorily addressed all shareholder comments, with the exception of one.
23. One of the shareholder comments requested the inclusion of a sentence that Auckland Transport identify mechanisms to capture financial information in relation to projects and programmes which contribute to Auckland Transport's responsiveness to Māori, and will include such information in quarterly reports to Auckland Council. This comment was not specifically included.
24. However, Auckland Transport commits to deliver on council's reporting requirements and has been improving their systems to report on contribution to Māori outcomes, including the recent improvements in the quarterly report.
25. It is therefore recommended that no modification is requested and the Auckland Transport 2014-2017 SOI be agreed.

Regional Facilities Auckland

26. The RFA board considered council's shareholder comments at its 28 May 2014 board meeting. The RFA board satisfactorily addressed all shareholder comments.
27. It is therefore recommended that the RFA 2014-2017 SOI be agreed.

Watercare

28. The Watercare board considered council's shareholder comments at its 29 May 2014 board meeting. The Watercare board satisfactorily addressed all shareholder comments.
29. It is therefore recommended that the Watercare Services Limited 2014-2017 SOI be agreed.

Waterfront Auckland

30. The Waterfront Auckland board considered council's shareholder comments at its 28 May 2014 board meeting. The Waterfront Auckland board satisfactorily addressed all shareholder comments.
31. It is therefore recommended that the Waterfront Auckland 2014-2017 SOI be agreed.

Legacy CCOs

32. Comet Auckland has worked with council staff to make improvements to its SOI. The COMET Auckland SOI has a focus on championing skills and education, youth employability, Māori education issues, and adult literacy. Council staff are always seeking improvement in the performance measures contained in the SOIs, and COMET Auckland's measures will continue to be refined over time. Council staff believe the shareholder comments have been considered, and appropriate changes have been made to the SOI.

33. Improvements have been made to Te Puru Community Charitable Trust's final SOI in line with council's comments on the draft. The main improvement is in the performance measures, developed by the trust with input from council staff (Parks, Sport and Recreation; CCO Governance and External Partnerships). As noted in the shareholder comments, the budget has been appended to the final SOI.
34. Some improvements have been incorporated into the Contemporary Art Foundation's draft SOI in line with council's comments. Council note the concerns raised by the Contemporary Arts Foundation regarding the Reeves Road Flyover. Staff (Community Development, Arts and Culture, City Transformation and Auckland Transport) will continue to liaise with the Chair and Chief Executive Officer regarding the timing and potential impact of this transport upgrade.
35. It is recommended that Legacy CCOs 2014-2017 SOIs are agreed.

Consideration

Local board views and implications

36. The Governing Body is responsible for providing shareholder comments on the draft SOIs. In December 2012 the Accountability and Performance Committee resolved that CCOs either hold workshops with Local Boards regarding their upcoming annual work programmes, or offer to engage with Local Boards on their work programmes. This engagement is to ensure the Local Boards are involved at the front end of CCOs' planning of their annual work programmes, which may influence the SOIs.

Māori impact statement

37. The activities of CCOs have potential to impact Māori wellbeing and to influence the achievement of Auckland and LTP outcomes relevant to Māori. The draft SOIs were separately reviewed by the Independent Māori Statutory Board (IMSB) and the council's Te Waka Angamua department.
38. Feedback from IMSB and Te Waka Angamua were included in the shareholder comments.

Implementation

39. No significant implementation issues are applicable.

Attachments

No.	Title	Page
A	Substantive CCOs 2014-2017 SOI reconciliation to shareholder comments (<i>Under Separate Cover</i>)	
B	ACIL 2014-2017 Statement of Intent (<i>Under Separate Cover</i>)	
C	ACPL 2014-2017 Statement of Intent (<i>Under Separate Cover</i>)	
D	ATEED 2014-2017 Statement of Intent (<i>Under Separate Cover</i>)	
E	Auckland Transport 2014-2017 Statement of Intent (<i>Under Separate Cover</i>)	
F	RFA 2014-2017 Statement of Intent (<i>Under Separate Cover</i>)	
G	Watercare 2014-2017 Statement of Intent (<i>Under Separate Cover</i>)	
H	Waterfront Auckland 2014-2017 Statement of Intent (<i>Under Separate Cover</i>)	
I	COMET Auckland 2014-2017 Statement of Intent (<i>Under Separate Cover</i>)	
J	Contemporary Art Foundation 2014-2017 Statement of Intent (<i>Under Separate Cover</i>)	

K	Te Puru Charitable Trust 2014-2017 Statement of Intent (<i>Under Separate Cover</i>)	
L	Te Puru Charitable Trust Budget 2014-15 (<i>Under Separate Cover</i>)	

Signatories

Authors	Robert Irvine - Financial Planning Manager CCOs
Authorisers	Matthew Walker - Manager Financial Plan Policy and Budgeting Stephen Town - Chief Executive

Exclusion of the Public: Local Government Official Information and Meetings Act 1987

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 Regional Facilities Auckland Board Appointments Subcommittee Chair, John Avery, be permitted to remain for Confidential Item C1: Board appointments - Auckland War Memorial Museum and Museum of Transport and Technology – after the public has been excluded, because of their knowledge of this topic, which will help the Council Controlled Organisations Governance and Monitoring Committee in its decision-making.

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 Board appointments - Auckland War Memorial Museum and Museum of Transport and Technology

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 members for the Auckland War Memorial Museum and the Museum of Transport and Technology.	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.