

Komiti ā Pūtea, ā Mahi Hoki / Finance and Performance Committee

OPEN MINUTES

Minutes of a meeting of the Finance and Performance Committee held in the Reception Lounge, Auckland Town Hall, 301-305 Queen Street, Auckland on Wednesday, 17 October 2018 at 9.43am.

PRESENT

Chairperson	Cr Ross Clow	
Deputy Chairperson	Cr Desley Simpson, JP	Until 4.06pm, Item 14
Members	Cr Josephine Bartley	Until 2.17pm, Item 12
	Deputy Mayor Cr Bill Cashmore	
	Cr Linda Cooper, JP	
	Cr Chris Darby	From 9.45am, Item 8
	Cr Alf Filipaina	From 11.10am, Item 12
	Cr Hon Christine Fletcher, QSO	Until 1.42pm, Item 12
	Mayor Hon Phil Goff, CNZM, JP	
	Cr Richard Hills	
	IMSB Member Tau Henare	Until 12.52pm, Item 12
	Cr Mike Lee	From 10.01am, Item 8
		Until 1.55pm, Item 12
	Cr Daniel Newman, JP	From 9.51am, Item 8
	Cr Sharon Stewart, QSM	
	IMSB Chair David Taipari	Until 12.52pm, Item 12
	Cr Sir John Walker, KNZM, CBE	From 10.04am, Item 9
		Until 12.52pm, Item 12
	Cr Wayne Walker	From 9.45am, Item 8
	Cr John Watson	

ABSENT

Cr Dr Cathy Casey	For leave of absence
Cr Fa'anana Efeso Collins	
Cr Penny Hulse	
Cr Greg Sayers	
Cr Paul Young	

1 Apologies

Resolution number FIN/2018/143

MOVED by Chairperson R Clow, seconded by Cr R Hills:

That the Finance and Performance Committee:

- a) **accept the apologies from Cr E Collins for absence on council business, IMSB Member T Hohneck, Cr P Hulse, Cr G Sayers and Cr P Young for absence; Cr A Filipaina for lateness on council business; and Cr C Darby for lateness.**

CARRIED

Note: Apologies were subsequently received from Cr M Lee for lateness; Cr J Bartley and Cr C Fletcher for early departure on council business.

2 Declaration of Interest

Cr D Simpson declared an interest in part of Item 14 Budget Carry Forwards.

3 Confirmation of Minutes

Resolution number FIN/2018/144

MOVED by Deputy Chairperson D Simpson, seconded by Chairperson R Clow:

That the Finance and Performance Committee:

- a) **confirm the ordinary minutes of its meeting, held on Tuesday, 18 September 2018, including the confidential section, as a true and correct record.**

CARRIED

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 Auckland Council and group financial performance for the year ended 30 June 2018

A PowerPoint presentation was given. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Cr C Darby joined the meeting at 9.45am.

Cr W Walker joined the meeting at 9.45am.

Cr D Newman joined the meeting at 9.51am.

Cr M Lee joined the meeting at 10.01am.

Resolution number FIN/2018/145

MOVED by Chairperson R Clow, seconded by Deputy Chairperson D Simpson:

That the Finance and Performance Committee:

- a) **note the Auckland Council group, for the year ended 30 June 2018, generated an operating surplus before gains and losses of \$659 million against the annual plan, a favourable variance of \$122 million, and an increase in net assets of \$3,026 million to \$38,802 million**
- b) **note that the financial performance, net of the City Rail Link budget accounting treatment difference of \$229 million, against the annual plan, shows a favourable non-cash vested asset revenue of \$370 million, lower than expected depreciation of \$60 million, partly offset by an additional weathertightness provision of \$82 million.**

CARRIED

Attachments

- A 17 October 2018, Finance and Performance Committee, Item 8 - Auckland Council and group financial performance for the year ended 30 June 2018 - PowerPoint presentation

9 Update on the independent assessment of expenditure incurred by Auckland Council to deliver Māori Outcomes

Cr J Walker joined the meeting at 10.04am.

Note: a change to the original motion, adding new clause b) was made with the agreement of the meeting.

Resolution number FIN/2018/146

MOVED by Cr L Cooper, seconded by Chairperson R Clow:

That the Finance and Performance Committee:

- a) **note progress of the council's response.**
- b) **note the next progress report will be provided at the 21 May 2019 Finance and Performance Committee meeting.**

CARRIED

10 Auckland Council group - Programmes and projects that have delivered Māori outcomes in 2017/2018

Resolution number FIN/2018/147

MOVED by IMSB Chair D Taipari, seconded by Cr C Fletcher:

That the Finance and Performance Committee:

- a) **note the key programmes and projects delivered across the Auckland Council group that have contributed towards Māori outcomes in 2017/2018**
- b) **agree to report to the Finance and Performance Committee in May 2019 on the Māori outcomes programme.**

CARRIED

11 2018 Treaty Audit Response Programme

Resolution number FIN/2018/148

MOVED by IMSB Chair D Taipari, seconded by Cr C Fletcher:

That the Finance and Performance Committee:

- a) **receive the 2018 Treaty Audit Response Programme.**
- b) **note that implementation of the 2018 Treaty Audit Response Programme and progress on significant initiatives in departmental and CCO Māori Responsiveness Plans will be reported to the Joint Meeting of the Governing Body and the Independent Māori Statutory Board.**

CARRIED

12 Council-controlled organisation fourth quarter report ending 30 June 2018

Auckland Transport (AT)

Shane Ellison, Chief Executive; Mark Laing, Executive General Manager Finance; Vanessa Ellis, Executive General Manager Customer Experience; Andrew Allen, Executive General Manager Service Delivery; Mark Lambert, Executive General Manager Integrated Networks; Cynthia Gillespie, Executive General Manager Planning & Investment; and Tony McCartney, General Manager Assets Maintenance, addressed the committee.

A PowerPoint presentation was provided. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

IMSB Chair D Taipari left the meeting at 10.38am

IMSB Chair D Taipari returned to the meeting at 10.50am.

IMSB Member T Henare left the meeting at 11.07am

Cr A Filipaina entered the meeting at 11.10am.

Cr Sir J Walker left the meeting at 11.12am

IMSB Member T Henare returned to the meeting at 11.17am.

Cr Sir J Walker returned to the meeting at 11.20am.

Cr C Darby left the meeting at 11.31am

Cr C Darby returned to the meeting at 11.37am.

The meeting adjourned at 11.44 am and reconvened at 11.57 am.

Cr C Fletcher, Cr R Hills and Cr D Newman were not present.

Panuku Developments Limited (Panuku)

Richard Aitken, Chairperson; Roger MacDonald, Chief Executive; and Carl Gosbee, Chief Financial Officer addressed the committee.

A PowerPoint presentation was provided. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Cr C Fletcher returned to the meeting at 11.58am.

Cr D Newman returned to the meeting at 11.59am.

Cr R Hills returned to the meeting at 12.02pm.

Cr C Darby left the meeting at 12.35 pm.

The committee acknowledged the contribution from Richard Aitken, Chairperson – Panuku Developments Limited and wished him well for the future.

The meeting adjourned at 12.52pm and reconvened at 1.23pm.

Cr C Fletcher, IMSB Member T Henare, Cr D Newman, IMSB Chair D Taipari, and Cr Sir J Walker were not present.

Cr C Darby returned to the meeting at 12.52pm.

Watercare Services Limited (Watercare)

Margaret Devlin, Chairperson; Raveen Jaduram, Chief Executive; and Marlon Bridge, Chief Financial Officer addressed the committee.

Cr C Fletcher returned to the meeting at 1.25pm.

Cr D Newman returned to the meeting at 1.27pm.

Cr J Bartley left the meeting at 1.38pm

Cr C Fletcher left the meeting at 1.42pm.

Cr J Bartley returned to the meeting at 1.47pm.

Cr M Lee left the meeting at 1.55pm.

Auckland Tourism, Events and Economic Development Limited (ATEED)

David McConnell, Chairperson; Nick Hill, Chief Executive and Joy Buckingham, Chief Financial Officer addressed the committee.

A PowerPoint presentation was provided. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

The committee acknowledged the contribution from David McConnell, Chairperson – Auckland Tourism, Events and Economic Development Limited and Joy Buckingham, Chief Financial officer - Auckland Tourism, Events and Economic Development Limited and wished them well for the future.

Cr J Bartley retired from the meeting at 2.17 pm.

Regional Facilities Auckland (RFA)

Rt Hon Sir Don McKinnon, Chairperson; Chris Brooks, Chief Executive; and Simon Tran, Chief Financial Officer addressed the committee. A PowerPoint presentation was provided. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

The committee acknowledged the contribution from Rt Hon Sir Don McKinnon, Chairperson – Regional Facilities Auckland and wished him well for the future.

Resolution number FIN/2018/149

MOVED by Chairperson R Clow, seconded by Deputy Chairperson D Simpson:

That the Finance and Performance Committee:

- a) **receive the fourth quarter reports from the following council-controlled organisations:**
 - i) **Auckland Transport (AT)**
 - ii) **Panuku Development Auckland (Panuku)**
 - iii) **Watercare Services Limited (Watercare)**
 - iv) **Auckland Tourism, Events and Economic Development Limited (ATEED)**
 - v) **Regional Facilities Auckland (RFA).**
- b) **thank Richard Aitken, Chairperson – Panuku Developments Limited; David McConnell, Chairperson – Auckland Tourism, Events and Economic Development Limited and Joy Buckingham, Chief Financial Officer - Auckland Tourism, Events and Economic Development Limited; and Rt Hon Sir Don McKinnon, Chairperson – Regional Facilities Auckland, for their valuable contributions.**

CARRIED

Attachments

- A 17 October 2018, Finance and Performance Committee, Item 12 - Council-controlled organisation fourth quarter report ending 30 June 2018 - Auckland Transport PowerPoint presentation
- B 17 October 2018, Finance and Performance Committee, Item 12 - Council-controlled organisation fourth quarter report ending 30 June 2018 - Panuku Developments Auckland PowerPoint Presentation
- C 17 October 2018, Finance and Performance Committee, Item 12 - Council-controlled organisation fourth quarter report ending 30 June 2018 - Auckland Tourism, Events and Economic Development Limited PowerPoint presentation
- D 17 October 2018, Finance and Performance Committee, Item 12 - Council-controlled organisation fourth quarter report ending 30 June 2018 - Regional Facilities Auckland PowerPoint presentation

The meeting adjourned at 3.10pm and reconvened at 3.20pm.

13 Auckland Council parent performance report for the period 1 July 2017 to 30 June 2018

A PowerPoint presentation was given. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Resolution number FIN/2018/150

MOVED by Chairperson R Clow, seconded by Deputy Chairperson D Simpson:

That the Finance and Performance Committee:

- a) **agree at 3.30pm pursuant to standing order 1.1.3, that an extension of time until the business of the agenda is complete be granted.**

CARRIED

Resolution number FIN/2018/151

MOVED by Chairperson R Clow, seconded by Deputy Chairperson D Simpson:

That the Finance and Performance Committee:

- a) receive the performance report for the Auckland Council parent for the period of 1 July 2017 to 30 June 2018.**

CARRIED

Attachments

- A 17 October 2018, Finance and Performance Committee, Item 13 - Auckland Council parent performance report for the period 1 July 2017 to 30 June 2018 - PowerPoint Presentation

14 2017/2018 Budget Carry Forwards

A PowerPoint presentation was given. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Cr D Simpson declared an interest and left the table at 3.42pm.

Deputy Chairperson D Simpson retired from the meeting at 4.06pm.

Resolution number FIN/2018/152

MOVED by Chairperson R Clow, seconded by Cr L Cooper:

That the Finance and Performance Committee:

- a) agree to amend the Auckland Council group capital expenditure budget for the carry-forwards from 2017/2018.**
- b) agree to carry-forward unspent 2017/2018 operational expenditure of \$15 million.**
- c) agree to bring-forward \$15 million of capital expenditure from 2019/20 to support business transformation and improvement initiatives through the Investment Group programme.**
- d) agree to bring-forward \$20 million of capital expenditure for Panuku from the last 3 years of the LTP for Wynyard Quarter auxiliary works relating to the 36th America's Cup.**
- e) agree an additional \$12 million of capital expenditure for Panuku in 2018/2019 for super yacht berthing, subject to the Group Chief Financial Officer's agreement that favourable returns on investment are achievable for the council group.**

CARRIED

Note: Pursuant to Standing Order 1.8.3, Cr J Watson requested that his abstention be recorded against clause e).

Pursuant to Standing Order 1.8.6 the following councillors requested that their dissenting votes be recorded against clause e):

- Cr S Stewart
- Cr W Walker

Attachments

- A 17 October 2018, Finance and Performance Committee, Item 14 - 2017/2018 Budget Carry Forwards PowerPoint presentation

15 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

4.13pm

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 FINANCE AND
PERFORMANCE COMMITTEE HELD ON

DATE:.....

CHAIRPERSON:.....