

ORDINARY MEETING

OF

ENVIRONMENT COMMITTEE

AGENDA

Time: 9.15am
Date: Thursday, 16 October 2014
Venue: Committee Room 1
Ground Floor, Council Offices
101 Wakefield Street
Wellington

MEMBERSHIP

Mayor Wade-Brown

Councillor Ahipene-Mercer
Councillor Foster
Councillor Free
Councillor Lee
Councillor Pannett (Chair)
Councillor Ritchie
Councillor Sparrow

Have your say!

You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 803-8334, emailing public.participation@wcc.govt.nz or writing to Democratic Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number and the issue you would like to talk about.

AREA OF FOCUS

The Committee will focus on climate change initiatives, enhancing the city's open spaces, protecting biodiversity in plant, bird and animal life, and ensuring there are high quality outdoor areas for residents and visitors to enjoy. The committee is also responsible for waste minimisation, energy efficiency and the three waters (drinking water, stormwater and wastewater).

Quorum: 4 members

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1 Meeting Conduct

1.1 Apologies

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

1.2 Conflict of Interest Declarations

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.

1.3 Confirmation of Minutes

The minutes of the meeting held on 4 September 2014 will be put to the Environment Committee for confirmation.

1.4 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 3.23.3 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

1.5 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows:

Matters Requiring Urgent Attention as Determined by Resolution of the Environment Committee.

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor Matters relating to the General Business of the Environment Committee.

No resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Environment Committee for further discussion.

2. Policy

PUBLIC PLACES BYLAW - PROPOSED NEW CAMPING PROVISIONS

Purpose

1. This report and attached final draft of the camping bylaw addresses the feedback received from public consultation, and a recent High Court decision on a test case between the NZ Motor Caravan Association and Thames-Coromandel District Council.
2. The committee is asked to consider the information and recommend to the Council that it adopts the proposed camping provisions to replace the existing provisions in part 12 of the Public Places Bylaw.

Summary

3. Wellington's popularity with campers is increasing and the proposed camping bylaw provides a sound regulatory starting point for managing freedom camping in Wellington. This is in response to legislative changes that make camping more permissive.
4. Under the Freedom Camping Act 2011 (the Act), councils may only make bylaws prohibiting or restricting freedom camping in specific public places if it is necessary to:
 - protect the area
 - protect the health and safety of people who may visit the area
 - protect access to the area.
5. Consultation on the draft bylaw closed on 4 October 2013 with 49 submissions received. The vast majority of submissions were supportive. Of those opposed, four were generally opposed to freedom camping, and three promoted the status quo approach which prohibits camping except in designated areas.
6. Due to last year's local government elections the draft bylaw was not progressed for summer 2013/14. The present timing has allowed officers to incorporate the recent High Court decision, with a view to having a new bylaw in place for this summer.
7. The instant fines approach provided by the Act is easier to enforce than the existing bylaws, and includes specific offences such as 'depositing waste' that apply across a local authority area. Parks Rangers will be warranted under the Act to enforce site-specific camping restrictions and general offences.
8. This is an opportunity to put a sound and more enforceable bylaw in place that is backed up non-regulatory management (e.g. information, signs and amenities). In general, vehicle-based campers want to do the right thing and the additional enforcement tools will promote compliance. In the first few years the camping bylaw may need to be reviewed regularly with additional restrictions on camping added where necessary.
9. In practice this means the Council will comply with the Act, officers will be better placed to manage bad behaviour, and Wellington will reinforce national messaging on responsible camping. We should expect to see a decrease in 'irresponsible camping' behaviour, even with an increase in campers.

Recommendations

That the Environment Committee:

1. Receive the information.
2. Recommend the Council:
 - a. Note the recommended changes to Part 12 of the Public Places bylaw following public consultation in accordance with the the special consultative procedure under Section 83 of the Local Government Act 2002.
 - b. Adopt the proposed camping provisions as set out in Attachment 1 to replace the current camping provisions in Part 12 of the Public Places Bylaw.

Background

10. The Council agreed to consult the public on a draft camping bylaw in August 2013. The review of the Council's camping bylaw was prompted by the required statutory review of the Public Places Bylaw. The draft aligns with the Freedom Camping Act 2011 which sets the legal framework for local government and to promote a consistent approach across the country.
11. The Act establishes a balance between the needs and interests of campers and locals. The High Court has now provided further guidance on where this balance lies. In August 2014 the High Court released its decision on a test case between the NZ Motor Caravan Association (NZMCA) and Thames Coromandel DC. This decision reinforces the following points for considering Wellington City Council's camping bylaw:
 - To avoid confusion a bylaw aligned with the Act should be the sole regulatory mechanism the Council uses to manage camping, and the sole point of reference for campers.
 - Restrictions or prohibitions on camping should be supported by analysis of actual and recorded effects (eg. observations by officers and complaints from the public) arising from freedom camping for specific places.
12. On behalf of its members the NZMCA commissioned Chen Palmer to provide advice for local authorities developing camping bylaws. In turn Local Government NZ (LGNZ) had this advice reviewed by Simpson and Grierson. The NZMCA and LGNZ have since developed a model bylaw. The Council's recommended camping bylaw is consistent with the model camping bylaw. The proposed bylaw has been reviewed by the Council's lawyers.

Table 1. Summary – status quo versus the Freedom Camping Act.

	Status Quo	<i>Freedom Camping Act</i>
	<ul style="list-style-type: none"> Restrictive Lacks enforcement tools 	<ul style="list-style-type: none"> Permissive Provides enforcement tools
General local authority area	<ul style="list-style-type: none"> Camping prohibited unless permitted (present bylaw) 	<ul style="list-style-type: none"> Camping permitted unless prohibited General offences
Specific sites	<ul style="list-style-type: none"> Camping prohibited unless permitted (present bylaw) 	<ul style="list-style-type: none"> Camping permitted unless prohibited General offences Site-specific prohibitions or restrictions as necessary
Reserves	<ul style="list-style-type: none"> Camping prohibited unless permitted (Reserves Act 1977) 	<ul style="list-style-type: none"> Camping prohibited unless permitted (Reserves Act 1977) General offences (Freedom Camping Act) If permitted can add site-specific restrictions as necessary (Freedom Camping Act) If necessary, can prohibit under Freedom Camping Act for ease of enforcement.

- The proposed bylaw will form part of a wider approach to managing and providing opportunities for campervans in Wellington, and will contribute towards a nationally consistent approach to freedom camping.
- While the Council cannot require people to camp in designated areas, campers are asked to camp in Holiday Parks, Department of Conservation camping grounds or “*other designated areas*”. This is done through tourist information, including the Responsible Camping Forum’s [website](#), and mobile app. Brochures containing this message is also given at key places including at holiday parks and information centres (i-sites) and on the inter-island ferries.
- Officers would promote compliance with friendly visits during the peak season, point visitors that do camp in inappropriate places to designated sites (where there are amenities and restrictions to manage camping), and issue \$200 infringement notices as a last resort for irresponsible behaviour. Prosecution is an option for more serious offending.
- The Act also provides a range of general infringement offences to deter irresponsible behaviour by campers including:
 - interferes with or damages the area, its flora or fauna, or any structure in the area; or
 - deposits waste in or on the area (other than into an appropriate waste receptacle);
 - fails or refuses to leave a local authority area when required to do so by an enforcement officer.
- These offences apply to the local authority area as a whole, whereas specific bylaw restrictions or prohibitions on camping can only apply to specific sites. A ‘rule of thumb’ for site-specific restrictions or prohibitions is to consider what the impact of campers is

over and above that of day visitors, or not already covered by the general infringement offences above.

Discussion

Matters addressed, including through changes to the draft bylaw, following the special consultative procedure process. The proposed bylaw is attached as Attachment 1, with changes marked.

What isn't camping

18. For clarity, the activities not considered camping under the Act have been included within the definition section of the bylaw. The Council would like to avoid any perception that campers, or day visitors with camper vans could be in the wrong by occupying car parks during the day.

Camping and Reserves

19. The NZMCA suggested we provide greater clarity regarding campervans parking overnight on reserve car parks. This suggestion prompted a more detailed look at the relationship between the Freedom Camping Act and the Reserves Act 1977. Bylaws made under the Freedom Camping Act must be consistent with other legislation. The Reserves Act takes a restrictive approach, with camping prohibited other than in designated areas.
20. However the Reserves Act doesn't provide practical enforcement measures like the Freedom Camping Act. Where the Council considers ongoing enforcement of a camping prohibition on land managed under the Reserves Act is needed, a site-specific prohibition under the Freedom Camping Act will be necessary.
21. The NZMCA also suggested adding a schedule of places where camping is prohibited under other legislation. This would apply to a great many places managed under various reserve management plans. With the number of sites it is not practical to include such a schedule in the bylaw. Officers will continue to manage these sites as they have been managed in the past, with the addition of general infringements and approved sites where people are welcome to camp. Nationally, the message is to camp at holiday parks, DoC campsites, and designated areas and the Council will reinforce this message. A statement has been added to the bylaw to provide some clarity regarding reserve carparks.

Te Raekaihau Pt/Princess Bay

22. The car park at Te Raekaihau Pt is popular with freedom campers but is classified as Scenic Reserve. This was one of two sites we thought might be suitable for non-self-contained campers, as there are good toilet facilities. To enable freedom camping here, an amendment to the South Coast Reserves Management Plan would be required. Four submitters strongly objected to camping at Te Raekaihau Pt. Officers recommend that camping at this site be discussed as part of the review of the South Coast Management Plan. Likewise, camping at other reserve car parks would first have to be permitted within the corresponding reserve management plan.

Central City Parks – the New Zealand Bill of Rights Act 1990 (NZ Bill of Rights) and protecting amenity vs the right to protest

23. A number of submitters raised questions as to whether the prohibition on camping in the central city parks was consistent with the NZ Bill of Rights. In particular, consistency with NZ Bill of Rights was queried, due to the impact on 'occupy' style protesting. In general, the erection of tents/structures for semi-private/private use gives campers exclusive possession of space beyond any other informal park users, and beyond what is expected or envisaged for the use of the central city parks. Prohibiting camping to protect the amenity of these parks is therefore appropriate.
24. The proposed bylaw has been amended to set out the process and considerations for assessing applications for written consent to camp in restricted and prohibited areas under the Bylaw.
25. The NZMCA suggested that in the absence of case law on the protection of amenity under the Act, and for decisions to remain transparent, the Council clearly define those values and describe what elements made up the values and character of the area, along with the threats to these from freedom campers. The Council has considered the following factors in deciding to prohibit camping to protect the amenity of these parks:
- **Amenity, context, characteristics and values:** The central city parks contribute to the quality and vibrancy of Wellington's urban environment by attracting users and activities. The parks provide open, accessible and convenient public space for informal meeting and activities, including sports, play, walking, sitting and resting.
 - **Attributes and elements of amenity:** Vehicles are generally excluded, including by physical barriers, but the parks include open grassed areas on which it would be possible to erect tents for overnight camping.
 - **Threats and adverse effects from camping:** By erecting tents/structures for semi-private/private use, campers establish exclusive possession, beyond any other informal park users, and beyond what is expected or envisaged for the use of the central city parks. Camping may also cause physical damage to city parks.
 - **Response:** Activities that explicitly or implicitly exclude the public from the general use and enjoyment of the central city parks require permission from the Council. Overnight camping is out of character with the purpose of these parks, and Prohibiting Camping to protect the amenity of these parks is appropriate and proportionate as per section 11 (2)(b) of the Act.

Homelessness

26. A submitter suggested that an explicit statement was needed to ensure that the homeless should not be subject to the provisions of this bylaw. A statement has been added to the Purpose clause (12.1) of the proposed bylaw (the current bylaw contains a similar note). The Wellington City Council Homeless Strategy addresses issues relating to homelessness, and homelessness is not intended to be dealt with through the camping bylaw.

Options

27. This report presents final officer advice.

Next Actions

28. The Committee is asked to recommend to the Council that it adopt the proposed camping provisions as set out in Attachment 1 to replace the current camping provisions in Part 12 of the Public Places Bylaw.

Attachments

Attachment 1.	Proposed Camping Bylaw - Final Draft	Page 14
Attachment 2.	Summary of Submissions	Page 16
Attachment 3.	Schedule One: Restricted and prohibited areas for camping	Page 33

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SUPPORTING INFORMATION

Consultation and Engagement

Feedback was provided from a broad range of people to help shape the proposed bylaw. As with the feedback on formal consultation is outlined in this report and in the attached summary of submissions, pre-engagement feedback was primarily positive and constructive.

Pre-engagement began with a cross-sector workshop for interested parties and residents at Te Papa in May 2013. Officers then wrote to all residents associations in the Southern and Eastern wards, and to residents near sites where camping restrictions were proposed, including Evan's Bay Marina residents.

Officers have also attended meetings of the Responsible Camping Forum, a national cross-sector group convened by the Tourism Industry Association. Participation in this group has helped to provide a national perspective on Freedom Camping.

Treaty of Waitangi considerations

Mana Whenua were given opportunities to participate during the development of the proposed bylaw and input was received from the Port Nicholson Block Settlement Trust.

Financial implications

There will be additional operational costs associated with setting up and implementing the new camping bylaw, such as staff training, and marketing and communications including signs. These costs are relatively minor and it is anticipated that they will be met from existing budgets.

Policy and legislative implications

The Council's responsibilities under the Local Government Act 2002, the Reserves Act 1977, and the Freedom Camping Act 2011 have been considered and addressed as part of the process of developing the proposed camping provisions.

Risks / legal

A range of legal opinions and case law were considered in the development of the proposed camping bylaw, which has been reviewed by the Council's lawyers.

Climate Change impact and considerations

There are no direct climate change considerations

Communications Plan

A communications plan is being developed to assist the management of camping in Wellington.

The following proposed wording and schedules are to be included in part 5 (Public Places) of the Wellington Consolidated Bylaw, as part 12 Camping, and as an amendment to the existing part 12.

Part 12 – Camping

Purpose

12.1 The purpose of this bylaw is to encourage responsible camping in Wellington, as part of a nationally consistent approach to freedom camping. This bylaw regulates camping in specific public places to:

- protect the area
- protect the health and safety of people who may visit the area
- protect access to the area.

[Note: This bylaw addresses camping as defined by the Freedom Camping Act 2011. The Wellington City Council Homeless Strategy addresses issues relating to homelessness.](#)

Interpretation

12.2 The following definitions apply to the camping bylaw:

The Act means the Freedom Camping Act 2011.

Definitions: where this bylaw uses terms also used in the Act, those terms have the same meaning as defined in section 4 of the Act.

Camp or camping means to stay overnight, or more than one night, at any public place:

- a. in a building, tent, or other structure; or
- b. in a car, campervan, caravan, or other vehicle.

[For clarity, camping does not include the following activities:](#)

- a. [temporary and short-term parking of a motor vehicle](#)
- b. [recreational activities commonly known as day-trip excursions](#)
- c. [resting or sleeping at the roadside in a caravan or motor vehicle to avoid driver fatigue.](#)

Certified self-contained vehicle (CSC vehicle) means a vehicle designed and built for the purpose of camping, which has the capability of meeting the ablutionary and sanitary needs of occupants of that vehicle for a minimum of three days without requiring any external services or discharging any waste, and complies with New Zealand Standard 5465:2001.

Restricted and prohibited areas as outlined in Schedule One

12.3 A person must not camp in an area in which camping is prohibited, as identified in

Schedule One: Restricted and prohibited areas for camping, unless they have prior written consent from the Council.

12.4 A person may camp in an area in which camping is restricted, as identified in Schedule One: Restricted and prohibited areas for camping, but must comply with the specific restrictions listed for that site unless they have prior written consent from the Council that waives these restrictions.

Areas where camping is permitted

12.5 Camping is permitted in any local authority area in Wellington City, unless it is restricted or prohibited in an area under:

- a. this bylaw; or
- b. ~~under any other enactment~~ [the Reserves Act 1977](#).

[12.6 Camping is prohibited on all land managed under the Reserves Act 1977 unless allowed in a reserve management plan. Campers are advised to camp in the restricted areas identified in Schedule One of this bylaw. For clarity, the Act's non-site-specific offences do apply to Council reserves, and any site-specific restrictions or prohibitions on Council reserves to be administered under this bylaw must be included in Schedule One of this bylaw.](#)

Prior written consent from the Council

12.7 If written consent is sought in accordance with clause 12.3 above then it must be applied for in writing to the Council at least two weeks in advance of the date planned for freedom camping in the prohibited area.

12.8 If written consent is sought from the Council in accordance with clause 12.4 above then it must be applied for in writing to the Council at least two weeks in advance of the date planned for camping in the restricted area.

Approval process

[12.9 Applications will be considered for camping in public places for special purposes. Consent may be granted at the Council's sole discretion, with or without conditions. Applications to camp in accordance with clauses 12.3 and 12.4 above must be made in writing and provide the following information:](#)

1. [the location](#)
2. [the duration of occupation](#)
3. [the number of people](#)
4. [the provisions to ensure that there is no damage or effects to the public place and](#)
5. [the reason why the camping is proposed.](#)

[12.10 The Council will consider applications based on the information requested in clause 12.9 above. In general, the applicant will be notified of the outcome within 10 working days. The Council may require modifications to the application and these will be discussed with the applicant before consent is granted.](#)

Schedule One: Restricted and prohibited areas for camping

Camping in Wellington is restricted or prohibited as illustrated and described within the following aerial photographs.

#	Name	Submission Key Points	Officer Comments/Response
1	Ian Apperley	Inadequately promoted. Could do better in identifying areas people can camp along with the rules and guidelines for each. Designate specific areas as opposed to saying where people can't camp. Shelly Bay would be a good spot, close to the city with good facilities. Likewise the reserve above Scorching Bay.	"Ambivalent", suggests Shelly Bay and area above Scorching Bay. Suggests taking reverse approach to Act ie "designate specific areas for camping". This would expose the Council to unnecessary legal risk. There is a private proposal to establish a campground at Shelly Bay, next to the Chocolate Fish Café. This may even be open for summer 2015/2016, see submission 48.
2	Tamara Duncan	Need to build in flexibility for when people start camping places you didn't expect -- none of the southern suburbs are in there, for instance, apart from a couple of the bays. Think there needs to maybe be some clarity around the different types of "camping" - campervan versus tent, with or without vehicle. The CBD parts of the proposal only seem to cover tent camping, while the places under review outside of the CBD only seem to restrict car parks. I assume the prohibition against camping in Frank Kitts park is aimed at tent-only campers, because someone with a vehicle would have to be paying to park it. So, "prohibited" means you're not allowed to pitch a tent. If anywhere that's not prohibited or restricted is fair game, then is it okay to pitch a tent by the lagoon (the former Grassy Knoll)? Or on Oriental beach? Or are those covered under different by-laws, like the Town Belt? Still, probably best to start with fewer restrictions and then add them as needed.	Supportive, suggests the need to be flexible "for when people start camping in areas you didn't expect". Suggests clarifying where restrictions apply to vehicles vs tents ("the CBD parts of the proposal only seem to cover tent camping, while the places under review outside of the CBD only seem to restrict car parks"). Response - yes need to be flexible for both unexpected issues, and also perceived issues that may not happen. Officer's recommend regular review. The Act's definition of camping is included in the Bylaw and explicitly includes tents. Yes – the aim is to start with a sound Bylaw and develop from there.
3	M McKee	Properly managed it is a great flavour in the Wellington scene. Perhaps an overnight area in the WCC Library underground car park, with access to the wc etc facilities.	Supportive, suggests car park under library. Response - Suggestions noted, some suggested sites that may not be feasible now but may become feasible over time.
4	Lesley Crook	I would like to positively endorse your suggestions to have some camping spots available in Wellington city. We live in the Wairarapa and often want to come to the city for different reasons, to enjoy the city and its many attractions. We have a caravan with full facilities, (although no toilet) and would love the opportunity to be able to park close to amenities, even if for a maximum of four days – seems very generous. At the moment – there is nowhere you can park your caravan.	Supportive. Live in the Wairarapa and are keen for the opportunity to park near amenities with their caravan.
5	Alastair Smith	"Given that many New Zealanders (including myself) have freedom camped overseas, it would be ungracious and hypocritical of us to restrict freedom camping in NZ without good reason. The proposal to allow freedom camping in certain coastal areas seems good. Given that there's a camping ground in the Hutt, I don't see a strong need for a developed camping ground in Wellington City.	Supportive, suggests overcrowding issues at Balaena Bay perceived rather than real. Thinks developing paid campground unnecessary as sufficient opportunities outside the city.

		I wouldn't object to lifting the restriction on Balaena Bay.	
6	Joel George	Shelly Bay might offer some space, although a distance from town. Identify one or more sites like the current (temporary?) campervan park site on waterfront, or near city, and develop site by building toilets, and screening/planting as appropriate for vehicles. Identify a suitable site for vehicles/tent camping near city - perhaps based on a lower use sports field. Only need sites closer to city.	Supportive, suggests exploring permanent site at Shelly Bay or low-use sports ground - needs to be close to city. Response – Waterfront Campervan Park to continue on adjacent site (see submission 47) also see response to submission one re Shelley Bay.
7	Richard Butler	I wasn't aware there was Freedom Camping in Wellington but would use it if it was convenient and safe. Somewhere central, Te Papa? To be able to walk into the city once parked up. Self-containment should be encouraged and maximum stays give more people the opportunity to use sites.	Supportive, prefers sites within walking distance to city. Suggests Te Papa. Response – see response to submission 3
8	Mark Buckley	Would the parking area at Eastbourne near the Wahine Memorial be open to self-contained vehicles? I submit that this would make a very desirable area on the waterfront that would not impede other users. Also, am I right in presuming that if freedom camping in an area is not prohibited then it's permitted?	Supportive, suggests Wahine memorial car park at Eastbourne (Hutt City Council). Response: The Freedom Camping Act encourages consistent laws across NZ. Wellington's bylaw will provide local experience for when Hutt City Council review their camping bylaws.
9	Tim Dutton	Waitangi Park is a large open space very well located that could justifiably have a small part of it turned into a nice area for motor home use. Glad the Council has decided to create a bylaw compatible the Freedom Camping Act. It makes things easier for campers to find out exactly what is and is not OK. I am especially pleased with the restricted areas having a 4 day per month limit.	Supportive, suggests Waitangi Park. Response – camping prohibited in Waitangi Park and other central city parks to protect amenity.
10	John Springford	It is quite fair that there are time limits to avoid ""permanents"" and close to facilities such as restaurants, supermarkets & other shops. Close to popular attractions such as Zealandia, the zoo, Otari Wildlife reserve, the Cook Strait ferries, and possibly at parks in the suburbs where public transport is available. The Hutt Park camping ground is convenient. The existing facility at the wharf is very popular and so central. Motor homers are generally of an older age group needing food and entertainment so they do spend and assist the business community.	Supportive, prefers sites close to amenities, attractions and public transport. Hutt Park convenient.
11	Dave Smith	Seem to have plenty of room for 1/2 day sites with basic toilet facilities, and more suitable for CSC campers. Restriction and prohibition are hardly consistent with the desire to encourage visitors.	Supportive, generally opposed to restrictions "hardly consistent with the desire to encourage visitors".
12	Wally Maher	Please be aware at all times that certified self-containment also applies to caravans as well as campervan. It may be better to refer to ""recreational vehicles or RVs"" rather than just camper vans.	Supportive, response: definition of camping explicitly includes caravans.
13	John Madsen	Great as long as vehicles self-contained and in place not causing others a problem. Around the coast and if possible near to city centre. ie wharf, Te Papa, (Happy for a charge for these areas but free around coast). "Shelly bay, Ohiro Bay. I think it is essential camping areas be made available.	Supportive, suggests Shelly Bay, Owhiro Bay. Happy to pay to stay in more central areas. Response – see responses to submissions 48 and 47.

14	Colin Bennett	<p>My understanding is that there is a very limited and restricted amount of suitable overnight parking in central Wellington. Anywhere within close proximity for easy access to central Wellington. Being fully self-contained we would be reluctant to pay the high cost associated with camp grounds. The current proposed prohibited and restricted areas for freedom camping would seem to be a good start. One of the concerns on the current restriction would relate to the suggestion that vehicles parking overnight must vacate the area between the designated daytime hours.</p>	<p>Supportive, prefers close proximity to central Wellington. Concerned proposed restrictions suggest campers must move on during the day. Response: There is no requirement for campers to move on during the day. While competition for parking with day visitors is expected, so is competition between day visitors, including those with vehicles that may be used for camping. Establishing who is camping and requiring them to move on during the day is unlikely to be practical. A perception that campers should move on during the day may also generate complaints against those with camping vehicles who have not camped. For clarity, the clause from the Act regarding activities not considered as camping, such as day excursions, has been added to the definitions section of the bylaw.</p>
15	Barry Mawer	<p>Motor camps & DOC sites in many areas they are very sparse. I prefer to go to a designated area, to ensure I'm not causing a nuisance to those living in the area. I also feel safer there.</p> <p>Having designated areas that can be advertised or included in guides will also encourage campers to enjoy wellington longer. Possibilities at Makara and near the Brooklyn wind farm for self-contained campervans. Some areas use racecourses, stadiums, schools as temporary sites during their "off-season" i.e. school holidays, where you pay a nominal fee (2-5\$). These probably only apply to self-contained. In general it's better to have regulated freedom camping than not and to cater for self-contained. The campervan hirers can all easily make their vans self-contained.</p>	<p>Supportive, prefers designated sites. Suggests Makara, Brooklyn Turbine, use of school grounds during school holidays. Response – see submission 3.</p>
16	Neil & Robyn Morris	<p>We stay in Wellington overnight mainly in the Evans Bay mariner car park. Restricted hours 4pm to 9am would be OK. A dump Station here would be great. Council could obtain financial assistance from N.Z. motor Ass. To install. With the expansion of the Kilbirnie Commercial area a motor home park in that vicinity would be great. Beaches are OK but security is a worry.</p>	<p>Supportive, unaware of Evans Bay dump station, highlights need to feel safe.</p>
17	Bryan Carver	<p>Should allow freedom camping within designated areas by self-contained units. South coast between Island and Lyall bays plus west of Ohiro Bay plus in the Te Papa and adjacent car park at night only.</p> <p>Evans bay yacht area as this is virtually unused.</p> <p>Interislander car park. Non self-contained camping/parking must only be where access to toilets are available possibly by issuing campers with a code access and charge a fee for this service.</p>	<p>Supportive, suggests more designated areas for CSC campers, south coast, Te Papa and Interislander car parks. Response – see submission 3.</p>
18	Maureen Kortens	<p>Make use of school grounds during the Summer School Holidays</p>	<p>Supportive, suggests school grounds during summer holidays.</p>

			Response – see submission 3.
19	Maria van der Meel Oral hearing	Freedom camping is complying with the Act and our Bill of Rights, some prohibitions have come as a result of Occupy Wellington and affects our freedom under the Bill of Rights. Encourage camping on South Coast, Hataitai Park - Mount Victoria. Free camping prohibition in a City with a high density population particularly in Te Aro needs careful planning. It will be critical in the case of an emergency. Good infrastructure and strategically placed water storage tanks will help enhance these sites and optimally you will work together with the water storage tank placement scheme starting in Tawa so potential free camping/emergency grounds can function well and is paramount. It is important if not compulsory that this consultation includes WEMO and asks where free camping/emergency sites would be best placed to cater for displaced citizen's during an event.	Supportive, suggests Hataitai Park - Mount Victoria, concerned prohibitions on inner-city parks may breach NZBORA. Suggest consideration of emergency planning required. Response: 1) Auckland Councils's prohibition of camping in inner-city parks upheld by High Court (Wadsworth v Auckland Council, NZHC March 2013), Schedule added to bylaw outlining process to obtain written consent to camp. 2) Enforcement is a 'last resort', and the camping bylaw will not hinder any civil emergency requirements.
20	Russell Opie	Wellington is a difficult city to spend time in if you are a CSC freedom camper. The only solution is to stay at Mana (Ngatitōa Domain) and take the train. The proposed four sites are great, would be even better if an inner-city area. Sites near to or inside the city centre would encourage me to visit more often and partake of the things offered in the city centre. I understand that InterIslander are not averse to campervans staying in their parking areas. How about utilising Te Papa car park?	Supportive, prefers to be close to central Wellington, suggests InterIslander and Te Papa car parks. Response – see submission 3.
21	Susanne Ames	I think it should be permitted unless there is a clear problem or risk thereof. Balaena Bay, appreciated the chance to stay near the city in a beautiful place. There aren't any camping parks near the city so it is difficult to organise a multi-day stay in a campervan. I think Balaena Bay, Evans Bay, Owhiro Bay and Princess Bay should remain open to campers. The challenge would be to find a location relatively close to the city, which could be safe, low cost and not too exposed to bad weather. Wellington should have an ablutions area available to those travelling in vans, like Rotorua. Maybe at Freyberg Pool? Those who leave trash make noise or are otherwise a nuisance should be swiftly and heavily penalised.	Supportive, prefers to be close to central Wellington, safe, low cost and not too exposed to bad weather. Suggests Freyberg Pool. Suggests no tolerance for irresponsible behaviour. Response – see submission 3, however camping to be prohibited at Balaena Bay.
22	Floyd Morgan	More designated spots means more tourists to Wellington - these ideas are heading in the right direction. The spots mentioned and the Peninsula around Shelly Bay could be cheaply made appropriate.	Supportive, suggests Shelly Bay. Response – see submission 48.
23	Stephen Mishkin Oral hearing	The windfall for Wellington could be as high as \$40million per year. This will never be achieved by the policies that are being put in place by this legislation. In an area close to centre of the city or close to easy transport. If the council wishes to encourage the tourism dollar it needs to take a liberal approach. In the year 2000 Totally Wellington had estimated we should be catering for 400 vans per night since then camping has grown 4-fold. If we catered for 150	Generally supportive.

	<p>campers at this stage this would be worth around \$10 million plus per year. This in turn will increase employment and opportunities.</p> <p>When our wharf site closes down it will cost Wgtn two million dollars in lost revenue per year. Can our council really call itself-responsible when it keeps turning its back on progress with its head in the sand?</p> <p>Council employees have a negative approach to this problem. We need solutions not confusion, actions not empty promises. We need the following facilities now:-</p> <ul style="list-style-type: none"> • Approximately 130 low cost or free camping sites in Wellington. • Low cost camp sites benefit sports clubs, churches, cosmopolitan clubs, schools and a range of organisations and individuals. <p>Charges vary from organisation to organisation depending to what services are provided to campers. This can range from \$5-\$20 per night i.e. toilets, showers, power, etc.</p> <p>Freedom Camping Sites</p> <p>There are 50 plus schools in Wellington suitable for use during holiday periods; Unused car parks at sports grounds, libraries, bowling clubs.</p> <p>Campbell and Karori (site for new community centre); Teachers college, Gravel storage Tanera Crescent.</p> <p>There are dozens of places between Miramar and Island Bay that are suitable for 2 or 3 vans per night. I could fill a page with these ideas, we have the space but we don't have the ingenuity to use the space.</p> <p>There are about 500 owners of motor homes and caravans parked on their own land in Wellington. In some cases these people have the space for an extra motor home. There are people who have never motor-homed but make space available for this purpose for a fee. However WCC red tape precludes this useful service.</p> <p>These are just a few ideas a proper plan would have to be put in place to show how both organisations and individuals could benefit from freedom camping and blend easily into the community. We have the space but not the will.</p> <p>Sites for holiday parks to accommodate 30 vehicles [about 3000 sq meters].</p> <p>Land for holiday parks is in limited supply in Wgtn. In other cities the council makes it their responsibility with private enterprise running the camp. We all know that land is available.</p> <ul style="list-style-type: none"> • There are three bowling clubs on council land that are basket cases: Kilbirnie; Working Mens Bowling Club; Miramar Bowling Club. • Bell Road Gym is a disgrace to the city and should be cleaned up or demolished. The reservoir in Bell Road could be suitable subject to the strength of the roof. • The old Wellington Bowling club is the best site in Wellington. I am sure an arrangement could 	
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		<p>be made to work in with tenants already in the building.</p> <p>I am reluctant to mention parks but it was proposed Tanera Park next to the community gardens. This could enhance the gardens and could blend in with the surroundings very well.</p> <p>Part of the car park on the west side of the Wellington Show Buildings; land North End Ferry Terminal; Evans Bay Marina (known as Coldits) – this has possibilities but a lot of landscaping would have to be done to make it user friendly.</p> <p>There must be a Holiday Park in Wellington, and we must make it one to be proud of. Let us embrace this form of tourism and benefit from it.</p> <p>I have letters on my file from the WCC telling me that possible sites I have mentioned are already ear-marked for certain sports. When I have spoken to the CEO of these sports, I was told they knew nothing about these proposals or that had been the plan 20 years ago and everyone had moved on.</p> <p>This has been debated for over 25 years. In the meantime we have lost hundreds of millions of dollars in revenue and also possible employment. Wellington cannot afford any more indecision.</p> <p>The proposal of September 2013 has the right conclusions but wrong implementations in most cases.</p> <p>I, like others, am willing to work with our city to draft a plan that is workable for freedom camping. This could be done in a matter of days. I have offered to put my money where my mouth is to develop a holiday park in the right position in Wellington. The ball is now with the council to go forward or stagnate.</p>	
24	Tanya Ashby	<p>Should at least pay a small permit - like a coupon parking card - say for \$10/20 a night to reduce cross subsidies from residents. Yes there should be more camping in Wellington but not necessarily free and not in special areas. Very interesting to see the proposal bans camping in inner city areas and pushes it out to the suburbs. I thought the waterfront was more ideal actually. Perhaps some of the green belt areas could be explored, where their presence would not be too obtrusive. I strongly oppose allowing any change to allow camping at Te Raekaihau Point. The present system where a blind eye can be turned to one or few campervans on occasion works well - I would not want to see campers in any regular presence however.</p>	<p>Supportive, but opposes Te Raekaihau Pt for perceived adverse impact on amenity. Suggests may be suitable 'low impact' green-belt sites. Response: Te Raekaihau pt removed as currently managed under the South Coast management Plan, recommend monitor and review with South Coast Management Plan.</p>
25	<p>Sophie Mormede - Friends of Taputeranga Marine reserve trust</p> <p>Oral hearing presented by Ann Mccrone</p>	<p>We believe it should be limited to areas where public toilets are available, and be forbidden in all other areas. That includes the entire of the road on the south coast and around the harbour, and parking sites such as the baithouse in Island Bay, the snorkel trail in Island bay, Moa point, Tarakena Bay, Wahine Memorial point, Breaker bay, Mahanga Bay, Kau Bay, Shelly Bay. We would also note that camper vans with on board toilet facilities tend to be on the large side, and take up a lot of parking space.</p>	<p>Concerned/opposed.</p> <p>Response: Suggested approach inconsistent with Freedom Camping Act. Extensive camping restrictions/prohibitions on south coast would be difficult and expensive to create and enforce, and could be vulnerable to legal challenge. In each of the places suggested the impact of campers</p>

		<p>Some of our members make regular rubbish removal a personal contribution to the purpose of the Trust. Toilet rubbish is especially hard to deal with, as well as fish trunks and shucked paua shell. Regular use by campers would simply add to the problem. While the majority of campers are responsible, it is the few who ruin it all for the majority. We would like to see the same restrictions apply, and for the same reasons, as Balaena Bay at both the Trail and the Baithouse.</p> <p>We would also like some protection of the highly used areas, in particular Princess bay / Te Raikaihau point and Scorching Bay, which can be full of cars and people on any sunny weekend days. Alternative schemes could be to only have half those areas available for camping, or for camping at weekends, or no camping parking before 4pm, although this could be difficult to enforce. The Snorkel Trail car park should also be prohibited for this very reason: it is full on a regular basis throughout the year as a base for snorkelers and divers, and has limited capacity for all current users.</p> <p>Camping in general and freedom camping in particular can have strongly detrimental visual and environmental effects, and be very unpopular among the community, as has been demonstrated nationally and overseas. As camping grows in Wellington, and with the new bylaw, WCC will need more staff with enforcement powers to actively patrol the empty spaces and car parks every day, and at various times of the day. Has WCC recognised and budgeted for the cost of these additional staff in their proposal?</p>	<p>above and beyond day-visitors and the Freedom Camping Act's general offences would need to be established to provide for active enforcement under the Freedom Camping Act.</p> <p>'Depositing waste' is a general offence, and doesn't require an area specific restriction or prohibition. See also submission 24 regarding Te Raekaihau Pt.</p> <p>The combination of Balaena Bay's small size and proximity to the city are the key factors for the prohibition there.</p> <p>Campervans parked during the day are not necessarily camping, while campers parked overnight are using the space during non-peak hours. Monitor and review after summer 2015/16.</p> <p>No legal precedent as yet on camping restrictions/prohibitions on amenity grounds, other than inner city parks. The amenity impact on coastal car parking areas beyond that of day visitors would need to be rigorously established.</p> <p>Enforcement - Rangers to increase South Coast patrols to two per week over summer (up from one per week), requirement for extra presence only partly due to camping. Security to be maintained at same level, current demand for patrols at Balaena Bay and Evans Bay expected to reduce due to increased compliance with new bylaw (with enforceable prohibition at Balaena Bay, and restrictions at Evans Bay).</p>
26	Fergus Brown - Holidays parks Assoc. of NZ	<p>We support the proposal in general. In all areas where freedom camping is permitted there should be advice/signage or road markings to ensure that vehicles park a minimum of 3 meters apart. There should also be a commitment by council to provide information to visitors to ensure that they understand the policy.</p>	<p>Supportive, suggests vehicles park a minimum of 3 meters apart. Response: 3m regulation applies to registered campgrounds for fire safety. Hasn't been applied by DoC or other local authorities. Could be added to advisory material and signage.</p>

27	Pieter Albertyn	If these are well managed it can be to the benefit of all parties. We need a spot close to the ferry terminal where campers can stay overnight (one night only) waiting on ferry crossing. Access controlled by getting a ticket from the council. (E-mail application) "Legitimate" campers (like certified CSC members of NZMCA) given preference. Booking for a specific date encouraged.	Supportive, suggests site near ferry terminal that can be booked in advance for one night only would be handy.
28	The Architectural Centre	Supports the proposal. Have concerns regarding two aspects which are absent from the proposal. 1. How can Wellington facilitate the rights of its citizens, or others who have a claim to protest within Wellington (as New Zealand's capital city), to occupy space to protest, including protests of a lengthy duration. We strongly urge that a clause is included within the bylaw which limits its scope to recreational camping and explicitly excludes protest action to ensure that this bylaw is not used as a political tool to suppress legitimate rights to protest through the occupation of public or contested space. 2. Similarly there is no statement regarding homeless use of public space. Like protest action, the potential for the homeless to be unintentionally and inappropriately subject to the provisions of this bylaw must be prevented by some explicit statement within the bylaw.	Supportive, two concerns: 1) enabling legitimate occupation of space for protesting, propose a clause in bylaw to limit scope to recreational camping, so that bylaw is not used as a political tool to suppress legitimate protest. 2) Also suggests explicit statement so homeless not subject to bylaw. Response: 1) Restriction on rights upheld by High Court (Wadsworth v Auckland Council, NZHC March 2013), Schedule added to bylaw outlining process to obtain written consent to camp. 2) Statement pertaining to homelessness from current bylaw added to purpose.
29	Rebecca Shrimpton	I am in favour of freedom camping around Wellington; however I am opposed to having it at Te Raekaihau point. I wouldn't like to have rows of campervans taking up all the space and car parking at our beach and potentially for several days on end. The council have already halved the available off street parking space in the car park by putting logs and rocks everywhere so now on a summer's day people are parking bumper to bumper along the road which gets chaotic. I wonder if Shelly bay could be a good option. It has a nice outlook of the city and harbour; it is more sheltered and is also away from residential areas?	Supportive, but opposed re Te Raekaihau Pt - due to concerns re competition for parking space. Suggests Shelly Bay. Response: Campervans parked during the day are not necessarily camping, while campers parked overnight are using the space during non-peak hours. See submission 24 regarding Te Raekaihau Pt.
30	Christine Fletcher	I am concerned about the potential for mess, noise and anti-social activities. We have noticed that freedom campers in the past have parked for literally months in the areas around Princess Bay. The main coastal road in this area is very narrow. It presently is used by many trucks and heavy vehicles. Camper vans would only add to the problem. The Council should take charge of this situation with properly designated and well run sites. The area beyond Owhiro Bay towards Red Rocks where facilities should be provided. Alternatively, there are sites where the present prison is situated. Also Miramar Peninsula. Camping sites should be away from residential areas.	Supportive with concerns - irresponsible behaviour, long-stay campers, additional heavy traffic. Suggests Owhiro Bay, Prison Site, and Miramar Peninsula. Suggest Houghton Bay could be included for restrictions/prohibitions. Response – concerns and suggestions noted, with regard to noise, the Council already has sufficient powers. Noise is not considered an issue in relation to camping - only one complaint relating to noise in the last three years.

31	Lee Barry	<p>Freedom camping should not be expected in or near a major city. Wellington should not be actively providing for freedom camping. Instead, the city should be actively encouraging one or more small commercial campgrounds on under-used land such as Shelly Bay, or Happy Valley. A choice could be made to convert part of the Mount Victoria or Berhampore greenbelt fringes into a short stay motor camp, with the concession let by the council in the same way DoC runs some of their camp grounds. A low cost permit or ticket system could be used to manage numbers of campers at the two sites in the summer and other peak periods. Please set up processes to monitor - or keep an eye on - the areas you are designating for restricted camping as they are the areas which will need it most. Is there any provision for monitoring the change in camper activity at the new sites? For monitoring mess or damage to community facilities? For monitoring problems or complaints from residents? For reviewing the classifications and sites if certain thresholds are not met? These may all be good ways to ensure you are not simply shifting the problem to the south coast - out of sight, out of mind.</p>	<p>Generally opposed to freedom camping, suggests commercial or low-cost council campground. Shelly Bay, Brooklyn wind turbine, Happy Valley, Mount Victoria or Berhampore greenbelt fringes. Suggests close monitoring of restricted sites in case Council shifting problem there from Balaena Bay. Response – suggestions noted, see submission 48 regarding Shelly Bay. Monitoring and review ongoing alongside management.</p>
32	NZMCA Oral hearing	<p>We support the intent of the bylaw. We recommend: That the bylaw also identifies areas where freedom camping is restricted or prohibited “under other enactments” (clause 12.5) by way of a map and description under a new Schedule 2, and clarifies the relationship between these areas with the Act. That Council permits overnight parking (with or without restrictions) in suitable areas currently prohibited under other enactments, e.g. recreational reserves with hard parking nearby transport links. That additional to the maps and descriptions required by section 11(3) of the Act, Council erects signs at identified locations to inform visitors of any freedom camping restrictions and prohibitions.</p> <p>We submit it would be helpful to avoid confusion and encourage compliance if the specific areas restricted or prohibited under other enactments were also appropriately identified within the bylaw. We suggest including a separate schedule for the purpose of providing information only, however not enforced under the bylaw. We recommend Council, investigates the opportunity for those visiting Wellington in certified self-contained vehicles to park overnight in areas currently prohibited under other enactments, e.g. the Reserves Act 1977 and Reserve Management Plans. For example, sports grounds with hard parking that may be suitable for short-term overnight parking during off peak periods. Given the absence of low-cost public camping grounds within Wellington City, having a range of overnight parking areas close to transport links other than those restricted areas listed in Schedule 1 would be advantageous and help the NZMCA promote Wellington as a destination to stop over.</p> <p>Where freedom camping is restricted or prohibited we recommend erecting signs to advise visitors of the specific rules. If practicable, we recommend providing</p>	<p>Supportive, makes a number of recommendations and suggestions:</p> <ol style="list-style-type: none"> 1) add areas where camping restricted or prohibited under other enactments to bylaw schedule for clarity (We suggest including a separate schedule for the purpose of providing information only, however not enforced under the bylaw), and clarify relationship between FCA and Reserves Act. 2) permit overnight parking (with or without restrictions) in suitable areas (hard parking and nearby transport links - e.g. could be parking area for recreational reserve or sports ground). This would also help the NZMCA promote Wellington to its members. 3) Recommend signage at sites with restrictions/prohibitions. Notes that that overnight parking reduces vandalism and undesirable behaviour at those sites. 4) Define amenity values in local context, describe related elements or character of the area, and associated threats from freedom camping. <p>Response: 1) This would not be practical given the number of sites managed under various reserve management plans (Reserves Act 1977). Officers will continue to manage these sites as they have</p>

	<p>contact information at the most problematic sites so responsible freedom campers can report problems directly. Travel between the North and South Island is a substantial migratory pattern over the October – May period. Because of the lack of suitable overnight parking areas in Wellington our members do not generally stopover unless visiting friends and family. Levin, Porirua and the Hutt are typical stopover points to and from the terminal ferries. The provision of safe overnight parking areas close to the city area and/or transport will encourage members to stay in Wellington. Furthermore, it is reported that locations that allow overnight parking suffer less from vandalism and other undesirable social behaviour. This positive benefit is frequently overlooked.</p> <p>If Council considers it necessary to limit freedom camping to protect amenity values, we expect Council to clearly define these values in the local context and describe what elements make up the values or character of the area along with the threats to these from freedom campers.</p>	<p>been managed in the past, with the addition of general infringements and approved sites where people are welcome to camp. The Relationship between Freedom Camping Act 2011 and Reserves Act 1977 reviewed.</p> <p>2) Reserve car parks can be added to schedule 1 (Prohibited and restricted sites) as necessary, after first incorporating into the applicable reserve management plan.</p> <p>3) Signs will be present at sites with restrictions/prohibitions. Noted that overnight parking reduces vandalism and undesirable behaviour at those sites.</p> <p>4) Amenity values defined for central city parks:</p> <p>Amenity, context, characteristics and values: The central city parks contribute to the quality and vibrancy of Wellington’s urban environment by attracting users and activities. The parks provide open, accessible and convenient public space for informal meeting and activities, including sports, play, walking, sitting and resting.</p> <p>Attributes and elements of amenity: Vehicles are generally excluded, but the parks include open grassed areas on which it would be possible to erect tents for overnight camping.</p> <p>Threats and adverse effects from camping: By erecting tents/structures for semi-private/private use, campers establish exclusive possession, beyond any other informal park users, and beyond what is expected or envisaged for the use of the central city parks. Camping may also cause physical damage to city parks.</p> <p>Response: Activities that explicitly or implicitly exclude the public from the general use and enjoyment of the central city parks require permission from the Council. Overnight camping is out of character with the purpose of these parks, and Prohibiting Camping to protect the amenity of these parks</p>
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			(with the possibility of written permission) is appropriate and proportionate as per FCA 2011 S. 11 (2)(b).
33	Bernard O'Shaughnessy	We should welcome campervan tourists. In the basin reserve - it's never used and is highly overvalued. Allow campervans to stay in the parking buildings overnight (provide facilities). Have some of the colleges/schools allow their grounds to be parked in overnight - provide power (user pay) points.	Supportive, suggests basin reserve, parking buildings, school grounds. Response – see submission 3.
34	Charles Price	The present proposals are very much to my way of thinking but if more sights could be allowed it will spread the pressure. Anywhere there are reasonable toilet facilities, little chance of the campers troubling residents or compromising usual daily happenings in the area.	Supportive, suggest identifying more suitable sites to 'spread pressure' so don't concentrate campers. Also review regularly and include feedback from campers. Response – agreed, the Council will endeavor to 'spread pressure' as much as possible and also review regularly.
35	Graeme Hansen	Camping with on-board toilets ok other camping only where there are appropriate facilities & dumps. Away from residential areas	Supportive (for those with on-board toilets), suggests "other end of interislander area", and keeping an eye on "Tawa who have a dump station." Response – see submission 36 below.
36	Chris Greenwood	I recommend that only campers in self-contained vehicles (no tents) be permitted to freedom camp around the Wgtn. I support the council by-laws relating to the management of freedom campers. I believe the present temporary campervan park on the Wellington waterfront in site 10 should be retained because it has proved to be popular with visitors; is well patronised; close to ferries; close to town; close to transport; close to tourist attractions; away from residential areas; ablution block is an additional amenity for self-contained vehicles. Designated camping areas need to be regularly monitored and maintained by council. I recommend that a time limit is imposed to deter freedom camping from becoming a permanent home.	supportive (for those with on-board toilets), advocates retaining Waterfront Campervan Park, suggests keeping an eye on Miramar Peninsula - Kau Bay, Scorching Bay, Breaker Bay. Response – officers working with cross-sector Responsible Camping Forum on issue of how best address/manage non self-contained campers. With the primary issue being toileting, our start-point is to provide sites with toilet access and direct them there.
37	Bill King Oral hearing	Given the number of visitors to Wellington who are in rental or owned self-contained motor homes there is a need for areas close to Wellington city where they can stay overnight. The reclamation north of the interisland ferry would be an ideal motor home stopping place. Parking areas bordering the town belt. Overnight stopping in the present car park between Barnett Street and Waitangi Park. (Cars during the day and motor homes at night.) Anderson Park would be good; close to town and screened from nearby houses.	Supportive, suggests "reclaimed area north of Interislander Ferry would be an ideal motor home stopping place", also parking areas bordering the Town Belt, Overnight stopping in the present car park between Barnett Street and Waitangi Park, Anderson Park.

38	Ellen Blake Oral hearing	<p>I submit that it would be a lot easier to include all of Wellington City as a no camping area except for a few areas where 'freedom camping' might be appropriate. Rather than the current approach to pick a few no camping places where the presumption is that freedom camping is allowed everywhere else. This would make enforcement easier to manage. 4 nights 'free' is too long, 2 nights is more appropriate. I submit that the entire south coast along past Red Rocks should be excluded from 'freedom camping'. There needs to be a balance between what services Wellingtonians will fund for 'freedom' campers compared to the benefit to the city – freedom campers have, almost by definition, already decided to avoid spending money on accommodation here.</p> <p>I submit that freedom camping should be limited to those in self-contained vehicles.</p> <p>There don't appear to be any enforcement officers currently, and this proposal does not set out who will undertake this role or how it will be funded. Signage and information on prohibition of camping in the Town Belt is inadequate currently – how will people know where to camp?</p> <p>What is really needed in Wellington is some properly managed fee-paying camp facilities; this would make Wellington a camper friendly place, provide a business opportunity, and be available to all people.</p>	<p>Opposed: suggests position opposite to FCA (and NZBORA) - eg prescribing where people can camp. Suggests 2 nights only (four nights too long – CSC vehicle capacity only 3 days), and restricted to self-contained vehicles only. Also suggest camping should be prohibited beyond Red Rocks. Seeks clarification regarding enforcement and signage. Would like to see more paid camping opportunities. Response: Four nights restriction aligns with standard duration of stay restriction applied by the Department of Conservation nationally. Wellington has dump stations at Evans Bay, Ngarauanga and Tawa for campers to empty vehicles. Also see Submission 36 regarding self-contained vehicles, and submissions 48 and 47 regarding paid camping opportunities.</p> <p>Enforcement – see submission 25.</p>
39	Pauline Swann Oral hearing	<p>Surely it is easier and more visitor friendly now that the current site has become well known, to retain this campervan park where it is, than to relocate campers to a series of smaller locations spread throughout the city.</p>	<p>Supportive, would prefer Waterfront Campervan Park is retained. Response – see submission 47 regarding Waterfront Campervan Park.</p>
40	Jillian & Murray Hartley	<p>We are opposed to any freedom camping in the Wellington City area, especially residential areas. As the government and vehicle rental companies have encouraged freedom camping, then it is time for suitable areas, facilities and amenities are provided for them at a reasonable cost to the users i.e. an authorized camping ground such as Hutt Park, where it is away from residential homes but on public transport routes for both trains and buses. Many of Wellington's outer fringe areas have some form of transport, either buses or trains that link to the inner city. Also dumping stations need to be clearly visible and advertised plus a few more around the Greater Wellington area would be good. we do agree with the proposed restricted and prohibited areas, however who is going to monitor how long people stay and that the vehicles are self-contained (this being one of the biggest health issues)</p>	<p>Generally opposed to 'freedom camping', but agrees with suggested prohibited and restricted areas. Lives in Balaena Bay and considers freedom camping to be a nuisance in residential areas. Concerned regarding noise, rubbish, long stay campers. Seeks clarification of monitoring and enforcement arrangements. Suggests dumping stations need to be advertised better.</p> <p>Response – see submission 25 (Enforcement).</p>

<p>41</p>	<p>Hubertus Buyck Oral hearing, presented by Catherine Lawson</p>	<p>The council should reverse the decision to close the Wellington Waterfront Motor home Park, or find an alternative central city site for campervans. It would be possible for Wellington City Council to permit freedom camping at other sites within the city, such as Makara, Ohariu Valley, Happy Valley and Strathmore Park. Alternative coastal campsites include Seatoun, which has extensive parking capacity and toilet facilities but is a less environmental sensitivity site. Many parts of the green belt would also be suitable to be considered for camping, again without significant adverse environmental impact. Freedom camping does incur a direct and indirect cost to the community and the council, such as maintenance of the campsite, disposal of sewerage, provision and maintenance of toileting facilities, rubbish collection, environmental damage as well as potential legal liabilities from use of the site. Furthermore, the presence of freedom campers will deter use of the site by local residents or day visitors due to use of available car parks, obstruction of access, pollution of the site or simply deterring visitors reluctant to intrude on a person's campsite. there are a considerable number of large open spaces in Wellington that would be much more suitable for camping. I oppose the proposal to permit restricted camping at Te Raekaihau Point and Princess Bay the proposal will overload the parking at the two sites where freedom camping will be permissible. The proposed sites are supposed to make it easier for people in campervans and other vehicles to stay overnight in Wellington, however the sites are wholly unsuitable for this purpose as they are both in the most southerly part of Wellington City, the ferry terminal and the northern motorway. Both sites are a considerable distance from the central city, so campers would be unable to visit the central city without alternative transport. There are no obvious economic benefits to the city of visitors staying on these sites to offset the increased cost to the council of maintaining the sites. The sites are wholly unsuitable for tents, which are also included in the Freedom Camping Act. The proposal has significant environmental impacts that have not been appropriately evaluated. If freedom camping is permitted at any site, it is recommended this be for a trial period, with a review process after 6 or 12 months, to ensure there are no adverse effects on local residents or other users of the facilities. The council also need to clarify what monitoring will be put in place and by whom to prevent cumulative environmental deterioration and damage.</p>	<p>Generally opposed, particularly Te Raekaihau Pt. Concerned regarding costs to maintain sites and facilities, additional impact of campers on volume of rubbish, parking capacity, environmental impact. Suggests retention of Waterfront Campervan site, or finding an alternative. Suggests looking for other freedom camping sites on open parks, Seatoun and Town Belt.</p> <p>Response - Te Raekaihau pt removed – see submission 24.</p>
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42	Sunita Singh	<p>"I support all forms of camping and travelling in motor homes that make this type of experience possible. Generally speaking the problems that do arise are around freedom camping increase the more remotely the sites are located from towns/cities and so remote from observation of the general public and monitoring. The main problems relate to toilets/toileting; waste disposal; fires; noise/partying; damage to the environment. The existing Wellington Waterfront Motor home Park seems ideal and should not be closed down. Wellington is a city - Visitors come here to see the city and its attractions. Strongly favour prohibition of freedom camping, not restrictions to be imposed on the areas I am familiar with i.e. Te Raekaihau Point, Princess Bay, Owhiro Bay.</p>	<p>Supportive, but wants camping prohibited Te Raekaihau Pt, Owhiro Bay. Concerned about additional pressure on site - toilets, waste, fire ban, noise, and environment. Wants Waterfront Campervan Park retained.</p> <p>Response - Te Raekaihau pt removed – see submission 24. <i>Noise – see submission 30.</i> <i>Waterfront Campervan Park see submission 47.</i></p>
43	David Lee Oral hearing	<p>I am concerned that the town belt is a notable omission from the proposed prohibited and restricted areas from the freedom camping. The car park in the Town belt at the end of Lawson street is regularly used by freedom campers. I find it ironic that the council is so determined to get rid of one of the nest camping facilities in Wellington City on the waterfront.</p> <p>Issue with enforcement of no camping in reserve land, therefore should be included in prohibited list.</p>	<p>Suggests keep an eye on Lawson PI Mt Victoria. Wants to retain Waterfront Campervan Park.</p> <p>Response: Officers will monitor reserve car parks, and whether additional prohibitions are required once wider management is in place. Camping can be prohibited if evidence shows it is necessary (appropriate and proportionate to protects access, the area itself, or for health and safety). Camping management to be reviewed after summer 2015/16.</p>
44	Makara/Ohariu Community Board	<p>The Makara Ohariu Community Board supports the proposed restrictions in prohibited areas as set out in the draft, and would like to see Makara Road lay-bys included (not safe to park up in lay-bys). This submission relates to camping at Makara Beach, on the beach and in the car park alongside the Makara Café, and also on the Reserve alongside the Makara stream just up from the beach areas are used on occasions by freedom campers, but in the main part are visited by many people coming to the beach to go swimming, diving, fishing or walking. Due to the relatively low numbers of freedom campers at Makara Beach, freedom campers and self-contained campervans should not be banned and the residents take a reasoned view of allowing vehicles to park in the designated areas above. Currently the toilet facilities at Makara Beach (two toilets only) are locked at night. We would like some restriction on freedom campers without on board toilet facilities.</p>	<p>Supportive, suggests prohibiting camping in Makara Road lay-bys, and restricting to self-contained vehicles (toilet access 7am to 7pm only). Notes relatively low number of campers. Response – restrictions/prohibitions can be added to bylaw if need is demonstrated. See submission 36 regarding non self-contained campers.</p>
45	Rosemary Russell	<p>Do not like Freedom camping in Wellington. It should be user paid. Use Evans Bay area at Cobham drive, ASB Sports centre Kemp street, Kilbirnie swimming pool. Kilbirnie cres Evans Bay Parade.</p>	<p>Generally opposed to freedom camping - considers campers should pay, suggests explore opportunities for commercial site - Evans Bay area at Cobham drive, ASB Sports centre Kemp street, Kilbirnie swimming pool. Kilbirnie cres Evans Bay Parade.</p>

			Response – see submissions 48 and 47 regarding paid opportunities.
46	Victor Davie Oral Hearing	<p>I agree with the concept (proposed restricted and prohibited sites). However there would be some difficulty with controlling your proposed campers restrictions. How is it possible to administer four nights only in a calendar month? I am uncertain where the facilities are for proper disposal. It would be a great pity to lose the Waterfront Campervan Park.</p> <p>Include residential streets in prohibited areas. Include \$5000 fine in bylaw (for abuse of officers). Bylaw should also mentioned categories of freedom camping and what it doesn't include.</p>	<p>Supportive: Suggests southern end of Evans Bay Marina as permanent campground, keep an eye on Lawson PI Mt Victoria. Unaware of Evans Bay dump station.</p> <p>Response – see submissions 47 regarding Waterfront Campervan Park. Fines set by Freedom Camping Act, with abusing offices a statutory offence. For clarity, the clause from the Act regarding activities not considered as camping, such a day excursions, has been added to the definitions section of the bylaw. The Council will include dump station locations in published information on camping.</p>
47	Michael Faherty, Wellington Waterfront Motorhome Park (WWMP) (Oral hearing only)	<p style="text-align: center;">FAQ's</p> <p>Q How many individual motorhome visitors stay at WWMP each year? We don't capture data relating to numbers of occupants in each vehicle but our best estimates are 12,000 pa in each of the first three years of operation but we expect this has risen by about 10% in the last year to approx 13 – 14,000 currently</p> <p>Q What is the economic impact or benefit to the city of WWMP? A BERL economic impact assessment commissioned by WWL in November 2013 estimated that WWMP contributes \$4.3m in expenditure and \$2.3m in GDP annually to the Wellington City economy. This is the equivalent of 31 fulltime positions. The impact arises from site fees paid by visitors in motorhomes and from other spending in the wider economy</p> <p>Q Isn't the economic impact or benefit to Wellington sufficient to retain WWMP? There are three answers to that question. Firstly, WCC is committed to trying to find a suitable alternative for when WWMP is closed. The second is that the BERL report states that relatively little of the economic impact would be lost, if the motorhome park were to be closed as any void would be filled by motorhome parks in J'ville and Lower Hutt and the majority of visitors make their way into Wellington in any event Thirdly – BERL believes that the opportunity cost of keeping the park is significantly larger than the economic benefit it current delivers.</p>	<p>Update from Michael: Wellington Waterfront intends to relocate the WWMP to an alternative site. Wellington Waterfront has reached 'agreement in principle' with Centerport to lease a site for the WWMP. The site is almost immediately adjacent the current WWMP. We will continue to operate WWMP. Likely time of relocation – mid to late 2015</p>

		<p>The construction of the building would generate over \$50m in construction expenditure and up to 500 full time equivalent jobs during the construction period. On completion, the building could be important in attracting new activity to the city or in retaining activity that is already there.</p> <p style="text-align: center;">What is the future of WWMP?</p> <ul style="list-style-type: none"> • Site 10 is one of two remaining major development sites on the waterfront as identified in the Wellington Waterfront Framework which was widely consulted on prior to its publication in 2001 • In a competitive selection process, WWL selected developer Willis Bond & Co to further develop a preliminary concept design for site 10. Council has approved WWL's recommendation to proceed to public consultation on the proposed design in early 2014 • In the event that the proposed development proceeds, the motorhome park will have to be relocated in 2015 <p>WWL is working with council to identify suitable alternative locations for the re-establishment of the motorhome.</p>	
48	<p>Simon Craggs</p> <p>Oral hearing only</p>	<p>First arrived in NZ as a tourist in 2004, now lives and works in Wellington. The impression tourists coming to NZ get is that freedom camping is a standard and acceptable way to travel in NZ. Information on forums, lonely planet book, trip advisor. However was confused about where to stay on coming to Wellington, people pull up where they can. Confusion clouds initial judgement of city.</p> <p>Identified a gap in freedom camping spots and camping sites in Wellington. Their needs to be somewhere in Wellington for backpacker campervans and self-contained motorhomes. Investigated opening a campsite. Constrained by lack of flat land. Investigating private land. Desirable traits: safety (in numbers), facilities, proximity, location.</p> <p><i>"I completely understand that people have been looking for a suitable site for years and so far the search has been fruitless so I would like to suggest that we need to possibly look at locations that have previously been dismissed for one reason or another. My previous submission to use the Terawhiti Bowls Club as a campsite was declined for a couple of reasons but one of which was that it was deemed that it would be "too difficult" because of the required "change of land use". Due to the lack of sites that are suitable I feel we might need to be braver and accept that this as aspect we may need to approach."</i></p>	<p>Update from Simon:</p> <ul style="list-style-type: none"> • Proposal for Camp Wellington to set up next to Chocolate Fish, with potential to open around Christmas. •

49	Catherine Underwood Oral Hearing Only	Addressed the meeting on the proposed changes to the Camping in Wellington bylaw and primarily concerned at the closure of the Wellington Waterfront Motor caravan Park. Catherine sees the Wellington Waterfront Motor caravan Park 's proximity to the ferries as an attraction that encourages people to stay the night in Wellington, and experience Wellington's attractions, rather than head out to the Hutt or Porirua.	See submission 47
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SCHEDULE ONE: RESTRICTED AND PROHIBITED AREAS FOR CAMPING

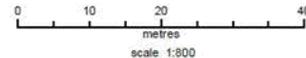
Camping in Wellington is restricted or prohibited as illustrated and described within the following aerial photographs.



Civic Square is situated off Victoria Street bounded by the Town Hall, Council buildings, Wellington Central Library and City Gallery. Freedom camping at Civic Square is prohibited.

Civic Square, Wellington
 Freedom camping restrictions & prohibited areas

 **Camping prohibited**



Property boundaries, 20m Contours, road names, rail line, address & title points sourced from Land Information NZ. Crown Copyright reserved. Property boundaries accuracy: +/-1m in urban areas, +/-30m in rural areas. Census data sourced from Statistics NZ. Postcodes sourced from NZ Post. Assets, contours, water and drainage information shown is approximate and must not be used for detailed engineering design. Other data has been compiled from a variety of sources and its accuracy may vary, but is generally +/- 1m.

MAP PRODUCED BY:
 Wellington City Council
 101 Wakefield Street
 WELLINGTON, NZ

ORIGINAL MAP SIZE: A4
 AUTHOR: presto2j
 DATE: 7/10/2014
 REFERENCE:

Absolutely Positively
Wellington City Council
 Me Heke Ki Pōneke

Item 2.1 Attachment 3



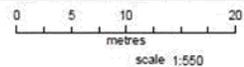




Balaena Bay is situated on Evans Bay Parade between Oriental Bay and Evans Bay. Freedom camping at Balaena Bay is prohibited.

Balaena Bay, Wellington
 Freedom camping restrictions & prohibited areas

 **Camping prohibited**



Property boundaries, 20m Contours, road names, rail line, address & title points sourced from Land Information NZ. Crown Copyright reserved. Property boundaries accuracy: +/-1m in urban areas, +/-30m in rural areas. Census data sourced from Statistics NZ. Postcodes sourced from NZ Post. Assets, contours, water and drainage information shown is approximate and must not be used for detailed engineering design. Other data has been compiled from a variety of sources and its accuracy may vary, but is generally +/-1m.

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REVIEW OF THE COLLECTION AND TRANSPORTATION OF WASTE BYLAW

Purpose

1. For the Committee to recommend to Council on 5 November 2014 that the Collection and Transportation of Waste (CTW) Bylaw be reinstated (as attached).

Summary

2. Public consultation on reinstating this CTW Bylaw was agreed to by this Committee on 8 May 2014.
3. The CTW Bylaw (attached) regulates four private tanker companies that handle a narrow range of (relatively non-hazardous) liquid wastes. The Bylaw requires those companies to be licenced and retain records of all waste collected, transported and disposed of. None of the liquid wastes regulated under the CTW Bylaw enter the Council's wastewater system, but are disposed of at the private Trans-Pacific Waste Treatment Plant in Petone.
4. The CTW Bylaw has lapsed, but without any effects on service provision. Reinstating this Bylaw is preferred, because it allows Council to license waste tanker companies and therefore monitor their performance, to ensure waste is disposed of properly.
5. The proposal to reinstate this Bylaw has been publicly consulted on (in accordance with the Local Government Act). Only one submission was received during consultation. That submission favoured reinstating this Bylaw.
6. None of the four waste tanker companies regulated under this Bylaw see any problems with reinstating this Bylaw in its current form.

Recommendations

That the Environment Committee:

1. Receives the information.
2. Notes that the Collection and Transportation of Waste (CTW) Bylaw regulates four private tanker companies that collect, transport and discharge dirty water from grease traps, commercial car washes, and septic tanks (from businesses and from some households).
3. Notes that there has been little public interest around whether or not to reinstate this Bylaw, with the single submission received during public consultation (Attachment 2) being in favour of reinstatement.
4. Agrees to recommend to Council, on 5 November 2014, to reinstate the proposed CTW Bylaw in its current form (as attached).
5. Notes that the more significant Trade Waste Bylaw will be reviewed by 2016 and that changes to the current CTW Bylaw may be proposed in that later review, including possibly subsuming the CTW Bylaw into the larger Trade Waste Bylaw and encouraging tanker companies to adopt extra tracking / record-keeping requirements.

Background

What the Bylaw does:

7. The Collection and Transportation of Waste (CTW) Bylaw (attached) regulates tankered waste - i.e. (currently four) private tanker companies that collect, transport and discharge a narrow range of mixed liquid wastes. Those liquid wastes include dirty water from grease traps, commercial car washes, and septic tanks (from businesses and from some households).
8. None of this waste enters the Council's wastewater system, but is disposed of at the private Trans-Pacific Waste Treatment Plant in Petone.
9. This Bylaw requires companies to:
 - be granted a licence to collect, transport or discharge this type of waste within the Wellington District (charged at \$185 annually)
 - keep records of all waste collected, transported and disposed of, and retain those records for 3 years for inspection by Council. This requirement also covers waste collected in the Wellington District but discharged elsewhere.

Special Consultation:

10. On 8 May 2014, this Committee agreed that Council undertake the Special Consultative Procedure on reinstating this Bylaw (as required by the Local Government Act). This public consultation ran from 24 June to 15 August 2014.

Discussion

11. There has been little public interest in whether or not to reinstate the CTW Bylaw. Only one submission (Attachment 2) was received during the Special Consultative Procedure. That submission favoured reinstating the Bylaw.

Original intent of the CTW Bylaw:

12. The original intent of this CTW Bylaw was to monitor dirty water waste to ensure it did not enter Wellington's waste water system, and particularly the Mōa Point Wastewater Treatment Plant, or be disposed of in any other inappropriate ways.
13. Wider liquid waste legislation already prescribes that this type of waste is disposed of at specialist treatment plants and not elsewhere (including not into the Council's waste water system). That legislation includes the Trade Waste Bylaw and Resource Management Act.

No evidence of problems with how this Bylaw has operated to-date

14. Before formal consultation, officers discussed the CTW Bylaw with Mōa Point treatment contractors (Veolia), Capacity (now Wellington Water Limited), and the Environmental Reference Group. Officers also signalled the review of this Bylaw and issues involved to Forest and Bird, Greater Wellington Regional Council, and the Waste Water Treatment Plant Community Liaison Group. None of those parties identified any problems with the waste regulated under this Bylaw.
15. No complaints or issues have been identified with the waste covered under this Bylaw. There is no evidence that any of this waste is disposed of at Mōa Point, enters Council's wastewater system, or is otherwise inappropriately disposed of.
16. Officers have also been in touch with the 4 tanker waste companies regulated under this Bylaw, none of which see any problems with retaining this Bylaw in its current form.

17. The wastes regulated under the CTW Bylaw are often diluted with water, and whilst problematic if not correctly handled, are markedly less hazardous or toxic than classified Hazardous or Flammable wastes, or many other Special wastes.

Implications of the later review of the Trade Waste Bylaw

18. Legislation (the Waste Minimisation Act 2008 and the Local Government Act 2002) requires that Wellington City Council's more significant Trade Waste Bylaw be reviewed by June 2016. The Trade Waste Bylaw does cover waste going to the Council's waste water system.
19. Changes to the current CTW Bylaw may be proposed in that later review, including possibly subsuming the CTW Bylaw into the larger Trade Waste Bylaw and encouraging tanker companies to adopt extra tracking / record keeping requirements.
20. The Trade Waste Bylaw will be reviewed in 2015/16 rather than earlier. This is because that later timing would allow that review of the Trade Waste Bylaw to take into account likely changes to how waste water infrastructure is managed. This includes investigating:
- a more regional approach to dealing with waste water waste, and
 - a more direct relationships between Wellington Water Limited (the Council Controlled Trading Organisation that maintains the Council's waste water infrastructure) and its customers.

Next Actions

21. Officers request that the Committee recommend to Council on 5 November 2014 to reinstate the CTW Bylaw in its current form (attached).

Attachments

Attachment 1. CTW Bylaw

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Attachment 2. Consultation Submission

Page 51

Author	Mark Jones, Senior Policy Advisor
Authoriser	Anthony Wilson, Chief Asset Officer

SUPPORTING INFORMATION

Consultation and Engagement

In addition to undertaking the Special Consultative Procedure, officers directly discussed this Bylaw with Moa Point treatment contractors (Veolia), Capacity (now Wellington Water Limited), and the Environmental Reference Group.

Officers also signalled the review of this Bylaw and issues involved to Forest and Bird, Greater Wellington Regional Council and the Waste Water Treatment Plant Community Liaison Group.

Treaty of Waitangi considerations

Reinstating this Bylaw does not raise any Treaty of Waitangi implications.

Financial implications

No new funding or revenue implications are required for reinstating this Bylaw.

Policy and legislative implications

Reinstating this Bylaw has no implications for existing Council policies, other Bylaws or legislation.

Climate Change impact and considerations

This Bylaw provides a check that different types of liquid waste are appropriately disposed of. This is consistent with protecting the natural environment and with the Council's climate change objectives.

Collection and Transportation of Waste Bylaw 2014

The Wellington City Council hereby makes by way of special order the following bylaw pursuant to the Local Government Act 2002 and all other Acts or authorities enabling it on that behalf.

1. Title and commencement

1.1 This Bylaw may be cited as the 'Wellington Collection and Transportation of Waste Bylaw 2014'.

1.2 This Bylaw shall come into force on 6 November 2014 and shall apply throughout the district.

2. Purpose of bylaw

2.1 The general purposes of this Bylaw are:

- a. To regulate the collection and transportation of liquid and solid waste collected from:
 - grease traps
 - septic tanks
 - trade waste premises that would require a consent under the Trade Waste Bylaw 2004 if the trade waste was discharged to the Council's waste water system
 - pre-treatment works within the Wellington district.
- b. To regulate the transportation and discharge of liquid and solid waste from scheduled sources discharged in the Wellington district.
- c. To provide for the licensing of persons who collect and transport liquid and solid waste from scheduled sources in the Wellington district and / or discharge liquid and solid waste from scheduled sources at destinations within the Wellington district.

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3. Interpretation

3.1 In this Bylaw

Act means the Local Government Act 2002 as amended from time to time.

Authorised officer means any person appointed by the Chief Executive Officer of the Wellington City Council for the purpose of administering and monitoring the regulation of this Bylaw.

Council means the Wellington City Council.

Destination means the exact location at which the liquid or solid waste is discharged or dispatched from the vehicle that has collected and transported the liquid or solid waste.

District means the district of the Wellington City Council as it may be defined from time to time by or pursuant to the Act.

Person includes a corporation sole, and also a body of persons, whether corporate or unincorporate.

Pre-treatment means any processing of trade wastes by any processes, works, structures, equipment or machinery intended to vary the quality of trade wastes, or remove noxious matters from any trade wastes prior to their discharge into the sewage system.

Pre-treatment works means any processes, works, structures, equipment or machinery which varies the quality of trade waste or removes noxious matters from the trade waste prior to its discharge into the sewage system.

Scheduled sources means liquid or solid waste collected from:

- a. Grease traps
- b. Septic tanks
- c. Trade waste premises that would require a consent under the Trade Waste Bylaw 2004 if the trade waste was discharged into the Council's waste water system
- d. Pre-treatment works.

Trade waste has the same meaning as in the Act.

Trade waste premises has the same meaning as in the Act.

Waste has the same meaning as in the Act.

4. Control of collection and transportation of liquid and solid waste

4.1 No person shall collect and transport liquid or solid waste from scheduled sources located within the district of Wellington, except in accordance with a licence granted pursuant to this Bylaw.

4.2 No person shall discharge solid or liquid waste collected from scheduled sources at a destination within the district, except in accordance with a licence granted pursuant to this Bylaw.

5. Application for licences

5.1 Any person who wishes to collect and transport liquid waste collected from scheduled sources located within the Wellington district and / or discharge solid or liquid waste from scheduled sources at a destination within the Wellington district shall apply to the Council for a licence.

5.2 An application to Council under clause 5.1 shall be accompanied by a licence fee, set in accordance with clause 12.

5.3 Before making its decision under clause 6.0 the Council may:

- a. require the applicant to submit further information necessary to assess the application;
- b. require the applicant to specify the number of employees, contractors or other agents associated with the applicant and require a separate licence to be applied for and to be held by any of those parties individually.

5.4 The Council must notify the applicant of its requirements under clause 5.3 within 10 working days of receipt of the application.

5.5 Applications for licences shall be made in the form approved from time to time by the Council.

6. Granting licences

6.1 On receipt of an application for a licence under clause 5.1, the Council shall, within 20 working days of receiving the application or the information requested under clause 5.3 above (whichever is the later):

- a. grant the licence in accordance with the application;
- b. grant the licence with conditions;

Item 2.2 Attachment 1

- c. refuse the application and notify the applicant of the decision giving a statement of the reasons for refusal.

6.2 In considering an application for a licence, and in imposing any conditions the Council shall take into consideration the following matters:

- a. Whether the applicant's methods of collection and transportation of liquid or solid waste from scheduled sources are acceptable and meet industry standards.
- b. Whether the applicant is aware of and utilises the destinations available in and outside the district for the discharge of liquid and meet industry standards.
- c. Whether the applicant's proposed methods of reporting on the collection, transportation and destination of liquid or solid waste meet the requirements of this Bylaw.
- d. Whether the applicant has previously collected and transported liquid or solid waste from scheduled sources in a manner authorised by Council.
- e. Whether the applicant has previously had a licence cancelled or suspended under clause 9.0 of the Bylaw.
- f. Such other matters that are relevant to giving effect to this Bylaw

6.3 Unless otherwise stated, each licence granted by Council under clause 6.2 shall include the following conditions:

- a. A copy of the licence granted by council must be carried in each vehicle operated by the applicant under the licence at all times.
- b. A copy of the licence must be produced on demand to any authorised officer.
- c. A licence is not transferable and does not authorise any other person, other than employees, contractors or agents specified in the licence or subsequently notified to the Council and approved under clause 6.3(e) to operate under the licence.
- d. The licence holder shall keep and supply documents to Council in accordance with the requirements of part 8.0 of this Bylaw.
- e. All licence holders must advise Council of any change to the employees, contractors or agents authorised to operate under the licence and the Council has the right to vary the licence to allow for the change or to require a new licence to be applied for.

- f. That the administration fee set pursuant to clause 12 of this Bylaw:
- i. shall be paid annually; and
 - ii. in the first year shall be paid within 2 weeks of the licence being granted; and
 - iii. in subsequent years shall be paid on the anniversary of the licence, or the renewal, provided that any such further administration fee payable under clause 12.4 is to be paid on demand.

7. Duration of licences

7.1 Every licence shall continue in force:

- a. for 1 year, commencing with date of the issue of the licence; or
- b. if an application for the renewal of the licence is made, until the application is determined.

7.2 Clause 7.1(b) applies subject to:

- a. the required fee for a renewal being paid to Council; and
- b. clause 9.0 relating to the suspension and cancellation of licences.

7.3 The holder of a licence may apply for the renewal of the licence.

7.4 In considering an application for renewal and imposing any conditions on the renewal, the Council shall take into consideration the following matters:

- a. The matters listed in clause 6.0; and
- b. The manner in which the licensee has conducted itself under the licence.

7.5 After considering an application for renewal of a licence, the Council shall:

- a. Renew the licence on the conditions presently attaching to it; or
- b. Review the licence on different conditions as the Council thinks fit; or
- c. Refuse the licence.

7.6 On renewing the licence, the Council shall specify a date (being no later than 3 years after the date on which the renewal takes effect) on which the licence shall expire unless it is again renewed under this clause.

8. Supply of documents

8.1 Each licensee or its agent shall keep a complete record of all liquid and solid waste collected and transported;

- a. from scheduled sources located in the district; and

Item 2.2 Attachment 1

b. from scheduled sources discharged at destinations within the district.

8.2 The records kept in accordance with clause 8.1 shall include for each vehicle operated under the licence:

- a. Identification of the location of each scheduled source within the Wellington district from which liquid or solid waste was collected, denoted by a unique number or system to allow compliance with clause 8.2(c).
- b. For each location identified under clause 8.2(a):
 - i. The time and date of collection.
 - ii. The volume collected.
 - iii. A description of the type of liquid or solid waste collected.
- c. For each discharge:
 - i. The time and date of discharge.
 - ii. The volume discharged.
 - iii. A description of the destination.
 - iv. A list of the unique numbers or other system adopted under clause 8.2(a) identifying the scheduled sources that made up the volume discharged.
- d. Identification of the operator or operators of the vehicle.

8.3 At the request of an authorised officer, each licence holder must provide its records kept in accordance with clause 8.0 within 7 days of such a request.

8.4 If following provision of records under clause 8.3, the Council seeks additional information, then the licence holder must provide that further information sought by Council within 7 days of the request being made.

8.5 The records required under clause 8.0 shall be completed in a form approved by Council and shall be stored by the licensee or its agent for 3 years.

9. Cancellation and suspension of licences

9.1 Council may cancel or suspend any licence granted under clause 6.1 or clause 7.5 of this Bylaw in the following circumstances:

- a. If a licence holder breaches any term of their licence.

- b. If a licence holder discharges liquid or solid waste to the Council's waste water system without authorisation of the Council.
- c. If the licence holder is convicted of any offence under this Bylaw or in relation to any other activities associated with the collection, transportation and discharge of liquid or solid waste.
- d. If, in the opinion of Council, a licence holder is unfit to hold such a licence.

9.2 If a licence holder is cancelled or suspended under clause 9.0 then the licence holder shall surrender their licence to Council.

10. Right of objection

10.1 A licence holder may object to Council's decision under clause 9.1 to suspend or cancel a licence, by lodging an objection within 14 days of the receipt of Council's decision.

10.2 Any such objection must be in writing and set out the relevant factors which the applicant wishes Council to take into account reconsidering the application.

11. Offences

11.1 Every person commits an offence who:

- a. Collects, transports or discharges liquid or solid waste without a licence in breach of clause 4.1 or 4.2 of this Bylaw.
- b. Fails to carry a licence and/or produce it on demand of an Authorised Officer in accordance with clause 6.3(b) of this Bylaw.
- c. Fails to supply information requested by Council under clause 8.0 of this Bylaw.
- d. Fails to comply with the conditions of a licence granted under this Bylaw.

12. Application (including renewal) and administration fees

12.1 The Council may from time to time by resolution publicly notified, fix the following fees:

- a. Application fees.
- b. Renewal fees.
- c. Annual administration fees.

12.2 The amount of any application or renewal fee shall not exceed the reasonable cost of processing applications for licences and applications for renewal of licences.

Item 2.2 Attachment 1

12.3 The amount of any administration fee shall not exceed the reasonable cost of administering a licence under this Bylaw, including the cost of conducting such investigations as are necessary to monitor the compliance by the licence holder with the licence held.

12.4 Where a fee fixed in accordance with 12.1 is, in any particular case, inadequate to enable the Council to recover its actual and reasonable costs in respect of the licence concerned, the Council may require the holder of the licence liable to pay the fee, to also pay an additional fee to Council.

This Bylaw was made by the Wellington City Council at a meeting on 5 November 2014. This was after the Bylaw was publicly consulted on under the Special consultative procedure in the Act.

Attachment 2 – Sole submission received during consultation

The following details have been submitted from the Collection and Transportation of Waste Bylaw consultation form on the Wellington.govt.nz website:

First Name: James
Last Name: Sullivan
Street Address: 7B Orangi Kaupapa Rd
Suburb: Northland
City: Wellington
Phone: 021775112
Email: James@TheFlightlessGeek.co.nz

I am giving this feedback: as an individual Organisation name, if any:

Do you agree with reinstating the lapsed Collection and Transportation of Waste Bylaw?
Yes

Do you have any other comments? As the bylaw appears to be operating as intended and has had no unexpected side effects it makes sense to reinstate for another few years.

3. Monitoring

REVIEW OF ANNUAL REPORTS FOR COUNCIL CONTROLLED ORGANISATIONS FOR THE YEAR ENDING 30 JUNE 2014

Purpose

1. This report provides the committee with a review of the annual reports submitted by Council Controlled Organisations (CCOs) for Council approval in compliance with the requirements of the Local Government Act 2002. Reports analysing the entity's performance are attached to this report.

Recommendations

That the Environment Committee:

1. Receive the information.
2. Note any issues for the Chair to raise with the entities covered by this report.

Background

2. It is a requirement of the Local Government Act 2002 (the Act) that where the Council is a shareholder in a council organisation it must regularly undertake performance monitoring of that organisation to evaluate its contribution to the achievement of:
 - The Council's objectives for the organisation
 - The desired results, as set out in the organisation's Statement of Intent
 - The Council's overall aims and outcomes.
3. The Environment Committee is tasked with the assessment of the efficiency and effectiveness of the following entities:
 - The Wellington Zoo Trust (WZT)
 - The Karori Sanctuary Trust (KST)
 - Capacity Infrastructure Services Ltd (Capacity or the company)
4. At year end 30 June 2014, Capacity was owned by Hutt City Council, Porirua City Council, Upper Hutt City Council and Wellington City Council. On 22 September 2014, Wellington Regional Council became the fifth shareholder in the company. All shareholders jointly monitor the company via the Wellington Water Committee.
5. On 12 September 2014, Capacity changed its name to Wellington Water Limited.

Discussion

6. Audited annual reports have been received from the following CCOs for consideration by the committee and are included in the attached covering reports:
 - The Wellington Zoo Trust
 - The Karori Sanctuary Trust
 - Capacity Infrastructure Services Limited (now Wellington Water Ltd)

7. The audited annual reports received from CCOs have been reviewed by officers to assess any risks or issues from the perspective of Council's shareholder interest. Any significant issues that were identified have been discussed with the relevant entity.
8. As noted, the joint Wellington Water Committee monitors the company's performance. From Wellington City Council's perspective, the company met its Three Waters Key Performance Indicators for the year to 30 June 2014, with the exception of the following:
 - 97% of properties with appropriate water pressure (>250kPa). The company recorded 96.3% of properties having met this KPI.
 - 95% of monitored freshwater sites are within acceptable bacteria counts. The company recorded 85% of sites met this criteria. In response, the company comments that investigations and a programme of repairs and renewals are in place to address a trend of decreasing water quality.
 - No flooding occurs within habitable buildings during a 1:50 rainfall event. The company recorded 5 incidents.
 - Bathing beaches meet Ministry guidelines on 95% of sampling days. The company met the guidelines on 85% of sampling days. Re-sampling indicated that recent rainfall was the main contributor to samples exceeding guidelines.
9. Representatives of the CCOs covered in this report will attend the meeting to present their Annual Report and answer any questions from the Committee.
10. If the Committee needs to clarify further the information presented or requires additional assistance with its monitoring role, it can ask officers or the Chair of the Committee to seek responses from the Board Chair.

Attachments

Attachment 1.	Officer Analysis - 2013-14 Karori Sanctuary Trust	Page 56
Attachment 2.	Officer Analysis - 2013-14 Wellington Zoo Trust	Page 60
Attachment 3.	Annual Report - 2013-14 Karori Sanctuary Trust	Page 63
Attachment 4.	Annual Report - 2013-14 Wellington Zoo Trust	Page 110
Attachment 5.	Annual Report - 2013-14 Capacity	Page 175

Authors	Richard Hardie, Portfolio Manager Warwick Hayes, CCO Project Manager
Authoriser	Derek Fry, Director City Growth & Partnerships

SUPPORTING INFORMATION

Consultation and Engagement

Not applicable

Treaty of Waitangi considerations

This report raises no new treaty considerations. Where appropriate the entities do consult with the Council's Treaty Relations unit and mana whenua as part of normal operations.

Financial implications

There are no financial implications associated with this report.

Policy and legislative implications

This report is consistent with existing WCC policy.

Risks / legal

No risks have been identified with this report. A Statement of Intent is a legal requirement for CCOs under the Local Government Act 2002.

Climate Change impact and considerations

Not applicable

Communications Plan

Not applicable

KARORI SANCTUARY TRUST

ANNUAL REVIEW TO 30 JUNE 2014

EXECUTIVE SUMMARY

Last year the Trust undertook a thorough strategic review of its business and in the Spring 2013, ZEALANDIA re-launched its entry prices and memberships. The Spring Relaunch saw a refresh of the sanctuary's branding and lower admissions and membership prices and has been well received by the public and its supporters.

- Total visits for the 2013/14 year were 99,213, the highest annual visitor numbers to the sanctuary yet.
- Admission revenue was better than budget by 8% for the year.
- Paid visitor numbers were up 19% compared to 2012/2013.
- Membership numbers are up 10% compared to June 2013.
- Visitor satisfaction is continuing to improve with the percentage of visitors who would definitely return again up from 58% pre-relaunch to 74%.

In October 2013, the Trust appointed Hilary Beaton as Chief Executive and work began on a number of projects. These range from enhancing the visitor experience, to building network connections with Wellington Zoo and other Wellington conservation organisations, to developing organisation capability. The Trust is advancing the research and learning partnership with Victoria University and has made a start on upgrading business systems.

ZEALANDIA'S conservation success continued with record numbers of Kākā and Hihi fledglings produced during the breeding season while the Kākāriki population almost doubled from last year. The Trust held its first Foundation members' Day on 24th April 2014 with 235 guests attending and began a series of walks and coffee mornings for its veteran volunteers and members. Through its visitor experience programme ZEALANDIA offered varied content including seminars, walk and talks, themed weeks and custom tours. The education team held the first school sleepover and started incorporating technology into their programme as another method of engaging children in conservation learning. Also, a grant was secured to allow three low decile schools (228 children) from the Hutt/Mana area to visit ZEALANDIA through the Trust's subsidised bus scheme.

Earnings before interest and depreciation totalled \$65k for the year ended 30 June 2014, an improvement of \$261k on the previous year and \$462k on the year ended 30 June 2012. While the Trust's cash on hand diminished by \$246k for the year to June 2014, this was mainly to fund the Trust's repayment of its Community Trust loan plus some asset purchases. The Trust is forecasting, in 2015, that it will return to a positive net cash flow and it will begin to build-up its cash reserves.

SUMMARY FINANCIALS

FINANCIAL PERFORMANCE							
(\$000)	30-Jun-10	30-Jun-11	30-Jun-12	30-Jun-13	30-Jun-14	Budget 30-Jun-14	Variance 30-Jun-14
Total Revenue	6,681	3,099	2,654	2,749	3,444	3,344	100
Op. Exp. before Depreciation	2,939	3,098	3,112	2,986	3,419	3,343	76
Earnings before Depn.	3,811	63	(397)	(196)	65	36	29
Surplus (Loss) after Depn.	3,378	(902)	(1,386)	(1,917)	(1,373)	(926)	(447)
FINANCIAL POSITION							
Total Assets	21,856	20,684	19,141	17,169	15,588	16,918	(1,330)
Total Liabilities	12,021	11,751	11,594	11,538	11,331	11,449	(117)
Equity	9,835	8,933	7,547	5,630	4,257	5,469	(1,212)
CASH FLOWS							
Total Net Cash Flows	(2,803)	(245)	(727)	(331)	(246)	(137)	(109)
Opening Cash	4,841	2,038	1,793	1,066	735	735	0
Closing Cash	2,038	1,793	1,066	735	489	598	(109)

Earnings before depreciation and interest totalled \$65k (\$29k above budget) for the year ended 30 June 2014. This performance continues a return to the operational sustainability (excl. depreciation) for Trust following a \$397k loss to 30 June 2012 and \$196k loss last year (to 30 June 2013).

CONTACT OFFICER

WARWICK HAYES

KARORI SANCTUARY TRUST

ANNUAL REVIEW TO 30 JUNE 2014

SUMMARY FINANCIALS		
<p>After absorbing depreciation of \$1.4m, the Trust reported a net loss of \$1.37m for the year ended 30 June 2014, \$447k higher than its forecast loss of \$926k for the year. The negative variance of \$447k results from a higher depreciation charge in the Visitor Centre and its exhibition than was forecast. The financial statements for the year ended 30 June 2013 were also restated to provide comparability.</p> <p>The Trust's total revenue exceeded budget by \$100k for the year. The table below outlines the year-on-year growth in the Trusts main revenue streams and reflects the work the Trust has done to improve its financial performance in these areas.</p>		
Revenue Stream	2013/14	2012/13 Comparison & comment
Admissions	\$922k	8% better than last year. Impact of price reduction offset by increased numbers
Food, beverage & function hire	\$880k	23% better than prior year.
Memberships	\$283k	4% better than 2012/13.
Grants & donations*	\$231k	30% worse than last year due to end of sponsorship. Full time fund raiser will improve.
Retail	\$205k	19% better than 2012/13.
<p>*The exception was grants and donations which declined 30% year-on-year reflecting the end of the Trust's sponsorship by Mitsubishi.</p> <p>In the balance sheet, the Trust's equity is reducing in tandem with the depreciation of its fixed assets while its loan to Council of \$10.3m remains unchanged.</p> <p>The Trust's net cash flows for the year were negative \$246k (over budget by \$109k). The Trust's 2014/15 SOI forecasts a stronger operating cash surplus in the year to 30 June 2015 which sees the Trust preserving its current cash on hand at or above current levels. Note: this assumes the continuation of Council grant funding which will be considered in the LTP processes.</p>		

KPI DASHBOARD							
<p>✓ Achieved ✗ Not Achieved. The tables contain a selection of KPIs and not a complete list.</p>							
30 JUNE	2009	2010	2011	2012	2013	2014	2014
Measure	Actual	Actual	Actual	Actual	Actual	Actual	Target
Non-financial							
Visitors	64,097 ✓	62,054 ✗	89,643 ✗	87,897 ✗	82,749 ✗	99,213 ✓	89,366
Membership units	5,300 ✗	5,314 ✗	5,034 ✗	4,830 ✗	4,527 ✗	n/a*	4,950
Individual members						10,919 ✓	9,900
Students & education visits	5,665 ✓	5,859 ✓	7,068 ✓	6,556 ✗	8,121 ✓	8,048 ✗	8,445
Satisfaction rating (out of 10)	--	--	9.1 ✓	9.2 ✓	9.3 ✓	9.3 ✓	9.0
Volunteer numbers	--	--	>400 ✓	>400 ✓	428 ✓	450 ✓	>400
Financial							
Average subsidy per visit	--	--	\$7.81 ✗	\$0.45 ✓	\$4.23 ✗	\$8.82 ✓	\$9.79
Average revenue per visit	--	--	\$25.69 ✓	\$29.13 ✓	\$28.69 ✓	\$25.64 ✗	\$28.40
Conservation							
Percentage native flora	--	--	--	--	--	46% ✓	45%
Total native plant species	170 ✓	177 ✓	182 ✓	--	177 ✓	180 ✓	176
Total exotic plant species	212 ✓	212 ✓	212 ✓	--	215 ✗	215 ✓	214
Percentage native fauna	--	--	--	--	--	71% ✓	71%
Total native fauna	42 ✓	41 ✗	43 ✓	--	42 ✗	42 ✓	42
New native fauna released	3 ✗	3 ✗	3 ✗	--	3 ✓	0 ✓	0
Total exotic fauna for control	44 ✓	43 ✗	34 ✗	--	41 ✓	17 ✓	17
<p>* This KPI has changed to provide a better understanding of ZEALANDIA'S actual membership.</p> <p>Education visits slightly below target due to not having an Education Team Leader in place for part of the year. This role was filled in February and education visits are expected to meet the forecasts going forward. The Ministry of Education has approved LEOTC funding through to the end of 2016.</p>							

CONTACT OFFICER

WARWICK HAYES

KARORI SANCTUARY TRUST

ANNUAL REVIEW TO 30 JUNE 2014

KPI DASHBOARD

Average revenue per visit was impacted by the Spring Relaunch which saw reductions in the price of entry and memberships, however this has been offset by higher visitor numbers and total revenue for the year was \$89k above the Trust's SOI target.

Visitor satisfaction levels continue to exceed targets but the very pleasing measure (mentioned already) was that the percentage of visitors who would definitely return again improved from 58% pre-relaunch to 74% post relaunch.

ISSUES & OUTLOOK

The Trust will be seeking to maintain its Council grant funding of \$875k per annum and will engage with Council on this via the 2015-25 Long Term Plan.

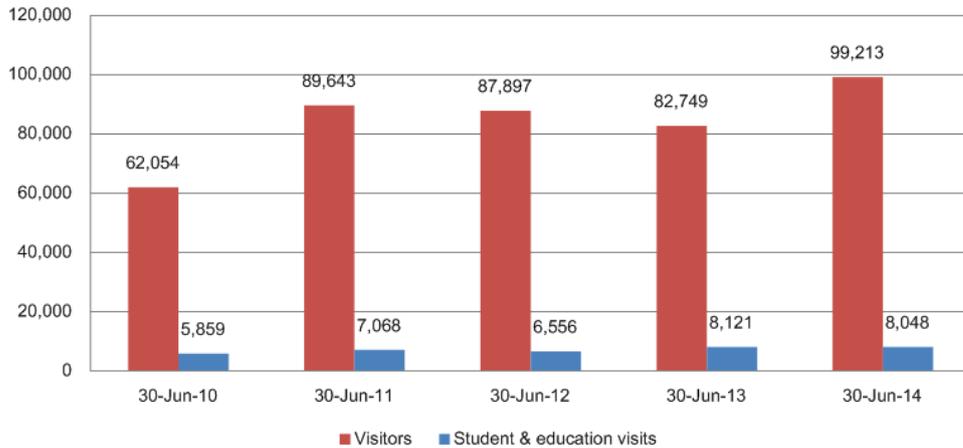
For some time now, the Trust has been working on building a research and learning partnership with Victoria University of Wellington (VUW). Discussions will continue with a view to securing a meaningful strategic relationship in the future.

The Trust has begun work on upgrading critical business systems and this will continue to be a focus in the current financial year. Council officers are working to provide support and assistance where this is practical. A tangible example of this will be the refurbishment of the Trust's offices at 31 Waiapu Road which is expected to begin in the near future and be completed before the summer is over. Council is also continuing to assess the options to provide IT infrastructure support for ZEALANDIA and these investigations are ongoing.

The Trust is preparing a sanctuary blueprint and landscape plan to help inform its management of the sanctuary and to improve opportunities for visitor experiences and engagement. ZEALANDIA will continue to build on the work it started over 12 months ago aimed at rebuilding its reputation and positioning it for a long future as one of the city's unique assets.

EFFECTIVENESS INDICATORS

VISITATION



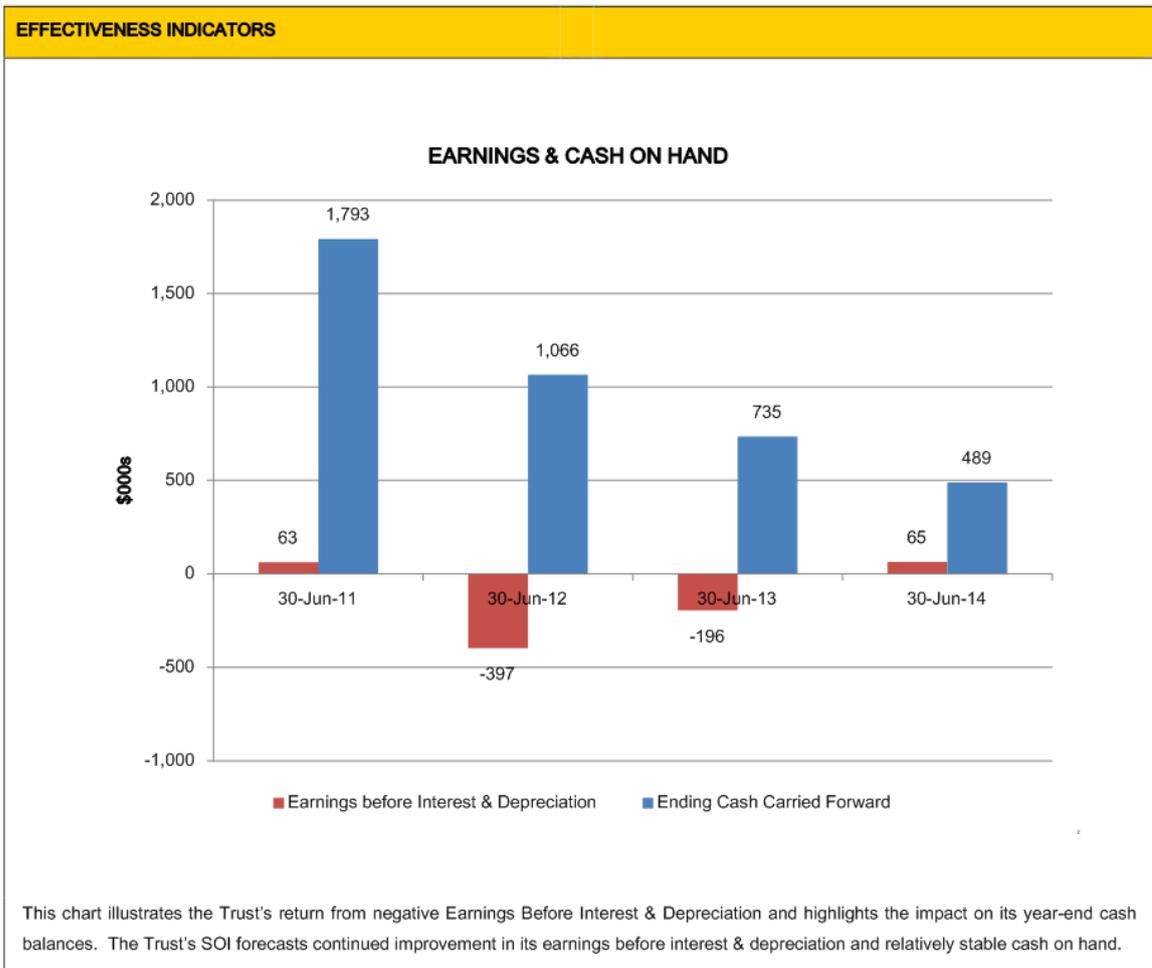
The visitation response to ZEALANDIA'S Spring Relaunch was extremely pleasing and exceeded the Trust's expectations with total visits for the year almost reaching 100,000.

CONTACT OFFICER

WARWICK HAYES

KARORI SANCTUARY TRUST

ANNUAL REVIEW TO 30 JUNE 2014



Item 3.1 Attachment 1

CONTACT OFFICER

WARWICK HAYES

WELLINGTON ZOO TRUST

ANNUAL REVIEW TO 30 JUNE 2014

EXECUTIVE SUMMARY	
<p>The Wellington Zoo Trust had a strong year, meeting or exceeding 16 of 21 targets or a 76% success rate compared to 70% last year. It recorded the following highlights:</p>	
<p>Capital Projects</p> <ul style="list-style-type: none"> The Trust met its 25% funding target associated with the 10-year Zoo Capital Programme (ZCP). Continued to make good progress on the ZCP which is coming into its final two years. <i>Neighbours</i>, the Australian precinct, was completed and opened in September 2013. Hero HQ won the Best Small Exhibit from a Large Organisation award at the Zoo Aquarium Association conference. 	
<p>Visitor Engagement</p> <ul style="list-style-type: none"> In response to community requests for later opening hours during summer, in February the Zoo launched <i>Zoo Twilights</i> that enabled visitors to come to the Zoo afterhours every Wednesday throughout February. Almost 500 visitors participated. Similarly, <i>Winter Wednesdays</i> offered reduced entry to visitors through August. Over 6,200 visitors participated. The Zoo experienced its busiest day on record during the Wellington Open day, with 7,006 visitors Neighbours Night was again successful with 1046 visitors Nature Connections project was successfully delivered by all partners with Wellington Zoo as one of the lead partners. 	
<p>Conservation and Sustainability</p> <ul style="list-style-type: none"> A number of endangered species were welcomed to the Zoo, including: Golden Lion Tamarins, Black and White Ruffed Lemurs, and Cheetah. The Zoo welcomed a Sumatran tiger, Senja, as part of the global breeding programme. Four Tasmanian Devils arrived at Wellington Zoo as part of the regional conservation programme to save these animals from extinction. Conservation Connections theming continues to be a successful and important part of the visitor engagement programme. Six new conservation partnerships were started during the year to help support the survival of endangered and critically endangered species in the wild through field conservation projects and stem the illegal animal trade. This year the Zoo established an Animal Welfare Committee to ensure that the animals at the Zoo are provided a life worth living, that their quality of life needs are met and that the Zoo is positioned as an industry leader on animal welfare best practice. The Zoo successfully retained its carboNZero certification. 	
<p>Formal Learning</p> <ul style="list-style-type: none"> Over 1,300 children participated in the Zoo's school holiday programme, with a satisfaction rating of 93%. Learning programmes continue to feature strongly in the Zoo's programme offerings. <i>Zoofari</i> was launched this year. This partnership between Wellington Zoo and The Warehouse enables students from low decile schools to visit the Zoo. Over 1700 students from 16 schools across the region were able to have their costs of visiting the Zoo covered. 	

SUMMARY FINANCIALS					
FINANCIAL PERFORMANCE (\$000)	Actual	Actual	Actual	<i>Budget</i>	<i>Variance</i>
30 JUNE	2011/12	2012/13	2013/14	<i>2013/14</i>	<i>2013/14</i>
Total Revenue	6,472	6,414	6,008	<i>6,329</i>	<i>(321)</i>
Total Expenses	6,171	6,320	5,936	<i>6,329</i>	<i>393</i>
Net Profit after tax and deprn	301	94	72	<i>0</i>	<i>72</i>

CONTACT OFFICER

RICHARD HARDIE

WELLINGTON ZOO TRUST

ANNUAL REVIEW TO 30 JUNE 2014

SUMMARY FINANCIALS					
FINANCIAL POSITION					
Total Assets	2,242	2,537	2,527	1,663	864
Total Liabilities	1,519	1,720	1,638	920	(718)
Equity	723	817	889	743	146
CASH FLOWS					
Total Net Cash Flows	(15)	489	106	105	
Opening Cash	1,357	1,342	1,831	1,379	
Closing Cash	1,342	1,831	1,937	1,484	

A review of the financial statements of the Wellington Zoo Trust highlights the following points:

- The Trust generated 56% of its operating costs this year.
- The Trust ended the year with a positive operating surplus of \$71,935 which becomes an operating surplus of \$10,401 after transfers to and from restricted funds.

KEY PERFORMANCE INDICATORS				
✓ Achieved ✗ Not Achieved. The tables contain a selection of KPIs and not a complete list.				
30 JUNE		2012	2013	2014
25% Vesting Target for CAPEX- based on actual CAPEX spend, targets in the SOI were based on possible CAPEX spend.	Target	\$413.9	\$461.3	\$240.7k
	Actual	\$413.9 ✓	\$461.3 ✓	\$240.7k ✓
Increase admissions by 2% pa on Business Case base 2005-06. <i>Note: targets have been recalibrated upward.</i>	Target	191,982	206,703	216,890
	Actual	216,457 ✓	232,130 ✓	227,434 ✓
Average Income per visitor (ex WCC grant)	Target	>\$14.86	>\$14.88	>\$14.82
	Actual	\$13.87 ✗	\$13.82 ✗	\$14.01 ✗
Ratio of Trust generated income as % of WCC grant	Target	102%	110%	118%
	Actual	107% ✓	115% ✓	117% ✗
Average WCC subsidy per visitor	Target	<\$14.58	<\$13.54	<\$12.52
	Actual	\$12.93 ✓	\$12.06 ✓	\$11.94 ✓
Volunteer Hours (9600 hours = 5FTE)	Target	> 5FTE	> 5FTE	> 5FTE
	Actual	5.5FTE ✓	4.19FTE ✗	4.6FTE ✗

CONTACT OFFICER

RICHARD HARDIE

WELLINGTON ZOO TRUST

ANNUAL REVIEW TO 30 JUNE 2014

KPI COMMENTARY

The following explanations were noted for significant variances on KPI targets:

- Although the SOI anticipated the 25% vesting target to be \$400k based on a \$2m spend, the actual capex spend this year was \$962,826 so the target was met. This target has been met every year of the ZCP.
- While the Zoo did not meet the Average Income per Visitor target of \$14.82, the actual result represents the highest average income per visitor to date.
- The Council is no longer reporting "Wellingtonians Visiting the Zoo" through the annual survey so this KPI has been removed.
- The Trust is awaiting the results of a large-scale visitor experience survey to assess what impacts Zoo visitors and how they see the Zoo. The results will be incorporated into future strategic planning and the Executive Summary will be provided to WCC.

OUTLOOK

Key activities and issues anticipated in 2014/15 include:

- Construction will begin in October 2014 on the New Zealand precinct, *Meet the Locals*. This will be a significant addition to the Zoo and complete the work on the current ZCP.
- The serval and caracal exhibit (Grassland Cats) opened in September 2014
- Work will begin on identifying the next areas for capital improvement to be incorporated into ZCP2.

CONTACT OFFICER

RICHARD HARDIE



Annual Report

2013/14



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Chair's Highlights

2013/14 has seen strong progress on the Trust's aims of enhancing our relationships, revenue and reputation, and establishing foundations for sustainability and resilience in the long term.

The Spring 2013 relaunch of ZEALANDIA's offer for visitors and Wellingtonians was a major focus for Board and management in the first quarter. The relaunch was warmly received. The positive practical results (visitation and revenue) were indicative of the sanctuary's strengthening relationships with Wellingtonians, and growing recognition of ZEALANDIA as a must see experience for visitors to the capital.

In October 2013 we welcomed our new Chief Executive, Hilary Beaton. Under Hilary's leadership we have progressed a number of projects that underpin our future. These range from enhancing the visitor experience, to building network connections with the zoo and other Wellington conservation organisations, to developing organisation capability. We are advancing the research and learning partnership with Victoria University. We have made a start on upgrading our critical business systems. Although there is further work to be done in all these areas, we have made a solid start.

A major contributor to the Trust's sustainable future is our active and positive partnership with Wellington City Council, and the Council's financial contribution to our core operations. The Council has also provided technical and professional input in a number of areas. We are grateful to the Mayor, Councillors and council staff for their support and encouragement over the year.

Thanks are due to many people including the staff and volunteers whose day to day efforts help to create our contribution to Wellington; from bird life and birdsong throughout the capital, to a unique visit experience and centre for conservation research and learning. They are supported by our members and other generous donors.

During this significant year of change, Jim Lynch and the other Sanctuary Guardians have acted as wise counsel. Natasha Petkovic-Jeremic provided leadership continuity through the first quarter. Hilary Beaton and her team have had an active and focused year on major projects to take us forward. The Board is grateful to all of them.

As chair, I acknowledge the very significant effort put in by my fellow trustees Phillip Meyer, Pam Fuller, Steve Thompson and Charles Daugherty.

ZEALANDIA has a unique contribution to make as the natural heart of the capital city. Working in strong partnerships we are confident that we can make a significant difference for Wellington.



Chief Executive's Report

Our 2013/14 Statement of Intent began by saying that the year was to be one of change and challenge. We have certainly lived up to that statement as we have worked to lay a solid foundation for the organisation to build upon.

Along with the change and challenge there has been great success. The Spring Relaunch in October saw a refresh of our branding and lowered admissions and membership prices. Since the relaunch we have seen an increase in admissions and total visitor numbers for 2013/14 were our highest ever. There has also been a significant increase in membership numbers and visitor satisfaction since the relaunch. The Spring Relaunch was a huge undertaking and I would like to take this opportunity to thank all our staff and volunteers that were involved with this project.

The year finished with a small surplus which was \$277k better than the previous year and almost \$500k better than 2011/12. This positive trend is encouraging but there is still work to do to move ZEALANDIA towards financial sustainability.

We continued to have great conservation success with record numbers of Kākā and Hihi fledglings produced during the breeding season. The Kākāriki population has grown considerably, almost doubling from last year.

Through our visitor experience programme we offered varied content including seminars, walk and talks, themed weeks and custom tours. Our education team held the first school sleepover and started incorporating technology into their programme as another method of engaging children in conservation learning.

It's also exciting to see the strong performance of Rata Cafe this year as it becomes a destination in itself.

A key focus of 2013/14 has been realigning the organisation to ensure we have the right people with the right skills to achieve the strategic outcomes that will move us towards financial sustainability. The organisation has been realigned into four key work programmes that are managed and delivered by staff. Inevitably, this has meant that we have said goodbye to a number of our staff this year. I have been deeply impressed by all staff for the professionalism displayed during what has been a difficult time.

Significant work has also been completed this year to improve our systems and processes, to ensure we are working as efficiently as possible.

The work undertaken in 2013/14 means we now stand on firmer ground that will allow us to move ZEALANDIA forward. I thank all of our members, volunteers and partners for their support - the sanctuary and its positive contributions to Wellington are made possible because of you.

I look forward to sharing our successes with you as we move into the next phase of our journey.

Nga mihi nui.



Highlights of the 2013/14 Year

The focus of 2013/14 has been to establish a solid foundation for ZEALANDIA to build on as the organisation moves towards a sustainable future.

We've celebrated many achievements through the year in our visitor, education, conservation and research programmes.

HIGHLIGHTS INCLUDED:

Success of our Spring Relaunch

- Our Spring Relaunch began on 20th October 2013 with refreshed branding, lower admission and membership prices, aiming to improve our public profile with local Wellington residents and to increase our visitor numbers and membership.
- Our recovery programme is on track. We have increased visitor numbers, membership, revenue growth and satisfaction and are making strong progress with relationships and reputation.
- Total visits for the 2013/14 year were 99,213, our highest annual visitor numbers yet.
- Admission revenue was better than budget by 8% for the year.
- Paid visitor numbers were up 19% compared to 2012/2013.
- Membership numbers are up 10% compared to June 2013.
- Number of new members are up 40% compared to 2012/2013.

Enhanced Visitor and Member Experience

- Visitor satisfaction is continuing to improve with the percentage of visitors who would definitely return again up from 58% pre-relaunch to 74%.
- Our Sirocco Encounters programme ran from 22nd July to 6th September 2013. A total of 3,677 visitors attended, 11% above target.
- We held our first Foundation members' Day on 24th April 2014 with 235 guests attending and began a series of walks and coffee mornings for our veteran volunteers and members.

Building our Education Programme

- We have designed a new Youth Program with sleepover and school holiday programme components. Attendance at the holiday programme almost doubled from the first term.
- Three low decile schools from the Hutt/Mana area visit ZEALANDIA through our subsidised bus scheme.
- Weekly Te Reo classes are now running and available for all staff.

Continuing Growth in our Commercial Business

- We have increased interest in functions, weddings and venue hire services. This area performed 22% better than budget for 2013/14 and has already secured 65% of the upcoming wedding season.
- Appointment of a Manager, Commercial Development in May who will continue to develop the commercial potential of the sanctuary.

A Growing Reputation

- There is increased recognition of ZEALANDIA as an essential part of Wellington's identity and overall media coverage has been positive.
- ZEALANDIA has been voted Best Local Operator 2014 by the Viator Travel Awards, in recognition of a year of 5-star customer ratings.
- We were awarded the Trip Advisor Certificate of Excellence 2014.
- Our international reputation is increasing with a growing number of visits from overseas dignitaries. In the 4th quarter we have had visitors from Canada, Korea, Australia, United Kingdom and the United States. These were individuals working in the urban environment space and saw ZEALANDIA as a world-leading working model.

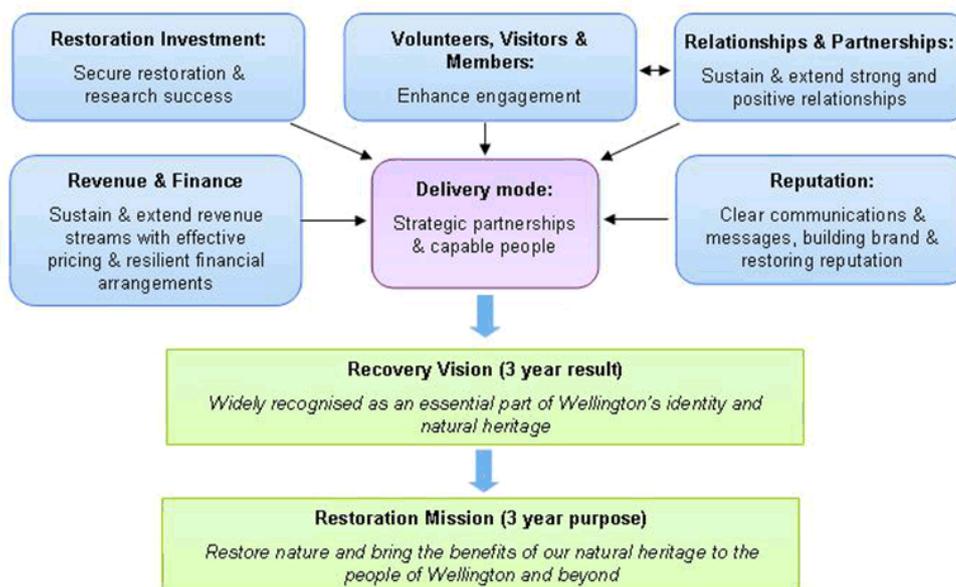
Building a Sustainable Business

- The appointment of our new CEO, Hilary Beaton, who started at ZEALANDIA on 22nd October 2013. The CEO implemented a staff review and organisational realignment which, after consultation, had all of organisation buy-in and acceptance. Implementation is now underway.
- Appointment of a dedicated fundraiser in October to enable greater donor care and a proactive approach to sourcing new support.
- We are continuing to develop partnerships with corporate and community organisations as demonstrated by our involvement with Nature Connections and partnerships with Hotel Intercontinental and Tuatara Brewery.
- We are upgrading, and in some cases building for the first time, systems to support our service delivery. We are already seeing potential benefits of improving infrastructure including greater IT capability, improved staff performance and capacity, greater reliability of data and improved responsiveness to a range of stakeholders, especially management and handling of schools bookings.
- Project charter for the refurbishment of 31 Waiapu Road was signed off on 20th May 2014.

Vision & Strategic Objectives

In 2013/14 we developed a one page plan that would guide the organisation to achieve the following objectives set out in our founding documents:

- To carry out education and research into all matters pertaining to the conservation and restoration of New Zealand’s natural heritage and in particular, to restore representative examples of New Zealand’s natural heritage.
- To establish and maintain a secure native wildlife sanctuary.
- To restore the sanctuary’s ecosystem as closely as practicable to its presumed pre-human state but allowing for construction of specific habitats to enhance its diversity and conservation values.
- To provide facilities for recreation and tourism activities.
- To seek and foster community support and participation.
- To manage and manipulate such ecosystems as may be necessary to maintain requisite populations.



Goal 1: Reputation

ZEALANDIA realises its vision, mission and brand with integrity: building trust, engagement and loyalty and inspiring advocacy from visitors, volunteers, members and Wellingtonians.

SPRING RELAUNCH

On 20th October 2013, ZEALANDIA began a Spring Relaunch with the aim of improving our public profile with Wellington residents and increasing visitor and membership numbers. The focus of the relaunch was on:

- Reduced pricing to remove concerns of locals that we are expensive. This demonstrated that we are listening to the concerns of our community.
- Enhanced benefits to our members.
- Refocused messaging around our core values and to support a worthy cause.
- A strong communications programme assisted by Wellington City Council.
- Refreshed collateral and signage.

Following the relaunch we have seen increased visitor numbers, with record visits each month from November 2013 to March 2014. In total, we had 99,213 visitors this year, the highest number we've ever had, 11% better than target and up 20% compared to last year.

We have also seen increases in membership, revenue growth and satisfaction ratings.

MEMBERSHIP

As at the end of the 2013/14 year, ZEALANDIA has over 10,000 individual members, up 10% on the previous year. This increase in membership is attributed to our active engagement with members and promotional offers. It also indicates that the community is re-engaging with us and seeing ZEALANDIA in a positive light.

We recognise that our members are powerful advocates for ZEALANDIA and this year we have sought new ways of connecting with our members. Members' walks are being held fortnightly and Veteran's Morning Teas are being held quarterly, an initiative to bring together and celebrate our longstanding members. We have also received very positive feedback from members regarding the 'bring friends for 50%' initiative.

We celebrated our Foundation Members on 24th April 2014 with a morning tea on the Heritage Lawn. There 235 guests at this event that acknowledged the support of our original members.

Our AGM was held on 24th November 2013 where we presented our achievements for the year and gave several presentations including conservation highlights and stories about volunteering. The main business was followed by an opportunity to have a picnic lunch and take a guided tour through the valley.

We continued to engage with our members this year through Kereru, our biannual newsletter, our monthly e-newsletter and social media channels.

VOLUNTEERS

In 2013/14 our volunteers donated over 33,000 hours to ZEALANDIA. This equates to more than \$450,000 in operational costs. Volunteers are at the heart of our organisation and the sanctuary succeeds through their efforts. We are extremely grateful for their continued support.

With over 400 active volunteers supporting us in a variety of functions from office administration to delivering our visitor experience, we are able to offer opportunities to a cross section of the community.

Engagement with our volunteers is crucial to our success and we are working to improve this communication. A meeting was held with volunteers in June to outline the organisational restructure and what impact this will have on volunteers. A method of allowing volunteers to provide suggestions for consideration by management has also been implemented.

Our annual volunteer appreciation event was held on 22nd November 2013. This event is an opportunity to recognise the work that volunteers do and to thank them for their continued support. This year we presented Volunteer Awards for an outstanding contribution over the year to:

- Jenny Atkinson
- Bill Beale
- Eleanor Bentley
- Julie Bracegirdle
- John Falkner
- John Galloway
- Jenn Keenan
- Peter & Lynette Martin
- Iain McIntosh
- David Murphy
- Alan Perry
- Mike Priest
- Jenny Roy
- Roy Sharp
- Dave Watt

At this event, we also acknowledge volunteers who have completed 10 years of continued service at ZEALANDIA. This year's recipients of the ZEALANDIA 10 Year Badge were Linton Lapsley-Miller and Judi Lapsley-Miller.



OUR TEAM

In order to move ZEALANDIA towards a sustainable future, there has been an organisational realignment this year. Changes have been made to align the organisational structure with the Strategic Business Plan, maximising efficiency and standard of delivery. This realignment is ongoing and will be completed early in 2014/15.

The Board acknowledges the efforts of the team who have made significant achievements during the year, despite the number of changes being made.

During the year we farewelled Natasha Petkovic-Jeremic (Acting Chief Executive Officer), Brian Ireland (Education Team Leader), Lauren Schaer (Marketing and Communications Coordinator), Saiorise Holic (Café and Functions Supervisor) Peter Laurenson (Marketing Manager), Craig Riley (Facilities Officer), Juliane Hoffman (Visitor Centre Operations Manager), Ruby Easther (Admissions Supervisor).

Anna Burns (Cafe Manager) and Michael Ayre (Volunteer Coordinator) also left on parental leave.

During the year we welcomed Hilary Beaton (Chief Executive Officer), Kimberley Collins (Marketing and Communications Coordinator), Jon McQueen (Fundraising Coordinator), Kylie Smith (Strategic Projects Assistant), Darren van Hoof (Education Team Leader), Philip Claassen (Cafe and Functions Manager), Mike Dennis (Head Chef), Ian Phillips (Manager Commercial Development).

Goal 2: Visitor Experience & Engagement

ZEALANDIA will deliver excellent environmental outcomes for Wellington through community engagement via our visitor experience and commitment to learning for all, enhanced by a range of projects and strategic partnerships and underpinned by a long term strategic investment plan.

VISITOR EXPERIENCE

ZEALANDIA is committed to providing a meaningful visitor experience and significant work has been undertaken during the year to continue building our programme. Through our programming, we aim to give our visitors a deeper appreciation of our natural heritage and inspire them to take our conservation message into their homes and communities.

In 2013/14 we provided visitors unique opportunities to connect with nature through our programme, guided tours, night tours and other events.

Themed Events

During the year, a number of themed events were held to enhance the visitor experience:

- Ongoing Walk and Talks and Feeder Talks
- Kaka Week
- Tuatara February
- Bug Week
- Clue Trails
- 'Behind the scenes' weekends for the public to experience kaka as our monitors do.
- Sunday Storytelling at ZEALANDIA
- Wine and Wander with Kaimira Estate Wines
- Winter Wander Night Tour
- Woolf Photography Workshop
- Kids Photography Workshops
- Introducing ZEALANDIA Weekend Presentations

Sirocco Encounters Programme

We were delighted to host Sirocco the Kakapo this year, for the second time. Sirocco was with us from 22nd July to 6th September 2013 during which a total of 3,677 people visited him.

Presentations and Seminars

A number of presentations were held this year:

- Co-evolution of Native Plants and Extinct Moa, presented by Dr Kevin Burns.
- Conservation Update, presented by Raewyn Empson, Conservation Manager.
- Bug Week Seminar with presentations from Olivia Vergara from Victoria University on the preliminary results of her weta study at the sanctuary and from James Cowan on dragonflies.
- Tuatara Tales Seminar, presented by Sue Keall and Anna Carter.

ZEALANDIA by Night

The ZEALANDIA by Night (ZBN) tours continue to gain popularity with 2,795 visitors for the year. In January we had 426 people on the tour, our highest number ever for one month.

Wildlife sightings are high on these tours with 95% of tours seeing a kiwi, 98% seeing tuatara and 90% seeing takahe. Sightings of eels and frogs were 66% and 62% respectively. Other wildlife that is regularly seen during the ZBN tours includes Pateke, Ruru, Cave Weta, Tree Weta, Black Harvestman and Gherkin Slugs. Highlights this year have included seeing an emerging Huhu Beetle and excellent glow worm displays at the Morning Star Mine.

We have received positive feedback on the Quietvox Audio System that we have started using on our tours this year. The system consists of a microphone for the guide and a receiver for the visitor, allowing them to clearly hear the guide. This has been a great enhancement to the visitor experience and we have received a lot of positive feedback.

EDUCATION

ZEALANDIA is an open air classroom where students can learn about Wellington's natural heritage and the importance of conservation.

In 2013/14, 8,048 students visited the sanctuary as part of our education programmes. We were slightly below target for the year due to not having an Education Team Leader in place for part of the year. Of the total education visits, 4,819 visited as part of the Ministry of Education (MOE) Learning outside the Classroom (LEOTC) programme, which was slightly above our MOE target for the year.

The MOE has approved our funding through to the end of 2016, which will continue to allow students to visit ZEALANDIA and experience our ngahere as it should be.

Since the appointment of a new Education Team Leader in February, significant work has been undertaken to design a new youth programme. This included the first school sleepover in April and the week-long School Holiday Programme.



We received outstanding feedback on our education programmes from teachers, parents and students as our education team continue to engage and inspire their students. Some sample feedback is below:

*"The guides had a positive, upbeat attitude and their love for the sanctuary was infectious."
St Theresa's School*

*"This visit was a highlight of our Wellington trip, the children have come away richer for the experience."
Strath Taieri School*

*"We love your programme and think you're doing a marvellous job. My little David Attenborough loves it!"
Holiday Programme Parent*

*"I would actively promote this school holiday option for any children that enjoy the outdoors and have an interest in plants, bugs, animals and birds. A little boy's paradise!"
Holiday Programme Parent*

A grant was secured this year to subsidise travel costs for low decile schools in the Hutt/Mana region to visit ZEALANDIA. Several schools have already taken up this opportunity, allowing 228 children to visit sanctuary.



Photo Credit: Peter Fisher

Outreach Programme

World Wildlife Fund has continued our outreach programme until December 2015. This funding enables us to visit schools and get kids to take action in their communities. This funding allows students to track and trap pests that are present in their community and have a positive impact on saving our unique flora and fauna.

Innovative Conservation Learning

The Education Team is always seeking ways to incorporate new ways of learning and to lead new innovations in conservation education learning. ZEALANDIA is now using technology to not only engage students in nature but to encourage them to continue learning about conservation long after they leave us.

Nature Watch has allowed school groups to capture their journey in the valley and view these observations back at school and at home. At the end of June each iPad had logged around 500 observations in our valley which will be used by students, scientist and nature enthusiasts all around Aotearoa.

APPRENTICE EXCHANGE PROGRAMME

This year ZEALANDIA started an Apprentice Exchange Programme. As part of the programme our Operations apprentice completes three placements at Wellington City Council sites (Botanical Gardens, Otari-Wilton Bush and Berhampore Native Plant Nursery). In return three WCC apprentices work with ZEALANDIA for a week to understand and learn the skills required to keep the sanctuary operating from a facilities point of view. This gives all the apprentices involved great learning experiences and a deeper understanding of the work of ZEALANDIA and the WCC sites.

REACHING OUR AUDIENCES

Community Involvement

Our relationship with the community and our ability to affect positive change is integral to the success of ZEALANDIA.

We issued 141 complimentary passes this year for use as prizes at kindergarten, school and local community events.

Discounted admission and products for seniors, students and Community Services cardholders are offered year round and our participation in Wellington's Gold Coin day in May meant over 6,000 people visited ZEALANDIA, who may not have otherwise. Other promotions held this year included:

- Twilight Thursdays
- Members bring friends at half price
- \$10 Tuesdays Students
- \$10 Wednesdays buggies go bush
- Entertainment book 2 for 1 – Adult General admission
- PWT Wellington City Pass

As our reputation continues to grow, more high profile and international guests continue to visit the sanctuary. High profile visitors this year included:

- Te Radar, Comedian
- Elizabeth Gilbert, American Author
- Rayya Elias, American Author
- Marcus Chown, British Astrophysicist
- Steve Dickson, Queensland Minister for National Parks, Recreation, Sport and Racing
- Mick Abbott, Associate Professor Design & Innovation, Lincoln University
- His Excellency Kang Chang-hee, Speaker of the National Assembly of South Korea
- Joe Oliver, Canadian Finance Officer

Domestic and International

The Spring Relaunch reinforced our brand and visitor experience and positioned ZEALANDIA as a significant visitor attraction for domestic visitors. We reach visitors to the city via the i-SITE, accommodation providers, travel guide books, John's Hop On Hop Off Bus, Wellington Cable Car, Wellington City Pass and outdoor signage. We also actively participate in Positively Wellington Tourism initiatives that promote Wellington as a tourist destination.

Fewer cruise ships visited Wellington this year which impacted this area of our business. In 2013/14, 2,637 cruise ship passengers visited ZEALANDIA, 26% less than last year.

Our premium products performed very well in 2013/14:

- Custom tour visitors totalled 1,123 - up 41% compared to last year.
- ZEALANDIA by Night visitors booked via tourism operators totalled 1,015 – up 34% compared to last year.
- Corporate tour visitors totalled 320 – up 83% compared to last year.

Free Shuttle

ZEALANDIA's free shuttle welcomed over 11,000 passengers on board during the year. The shuttle operates seven days a week and runs an hourly circuit starting from the Wellington City i-SITE and passing several key locations including Te Papa and the Cable Car precinct before reaching ZEALANDIA.

Media Coverage

ZEALANDIA has received a lot of media coverage this year, primarily with a positive focus. Highlights of the coverage included stories on:

- Sirocco
- Spring relaunch
- Hilary Beaton's appointment as CEO
- Return of Little Spotted Kiwi chick
- Tuatara Ambassadors
- Tuatara Release

ZEALANDIA was also mentioned in numerous travel features on places to visit in Wellington.

We also hosted a number of media groups in 2013/14, including:

- Paul Henry Show: regarding hedgehogs as pests.
- Seven Sharp: interview with Minister Nick Smith about conservation.
- Campbell Live: regarding the Gareth Morgan cat debate.
- ONE News: regarding our large volunteer base with ties to recent results from a survey that listed the environment as a key issue in the upcoming election.
- STEM Creative: filming the reservoir using a drone for a promotional video for Positively Wellington Tourism.
- APN Media: travel piece on places to visit in Wellington.

Trade Shows & Community Events

Staff represented ZEALANDIA at a number of trade shows and community events during the year including:

- Pest Fest – a public information event run by DOC.
- Spring Wedding Show
- Show me Wellington
- Festival of Education

Satisfaction

The sanctuary valley and the exhibition are major attractions for visitors, allowing them to experience New Zealand's native species in their natural environment and learn about our natural heritage.

Visitor satisfaction is continuing to improve with the percentage of visitors who would definitely return again up from 58% pre-relaunch to 74%. Our overall satisfaction rating is 9.3/10 which is the same as last year and our value for money rating is 8.9/10, up from 8.7 last year.

We also received the following awards this year in recognition of the positive feedback we received on social media this year:

- Trip Advisor Certificate of Excellence for receiving an average satisfaction rating of 4.5/5.
- Viator Travel Awards Best Local Operator 2014 in recognition of a year of 5-star customer ratings.

Qualmark Evaluation

We scored 93% in our Qualmark evaluation which was completed on 7th March 2014. We also retained our Enviro Gold grade.



Photo Credit: Janice McKenna

Goal 3: Restoration Investment

ZEALANDIA's restoration and research work is recognised by funders and partners as leading the way in Wellington's environmentally active community.

CONSERVATION & THE COMMUNITY: RESTORATION & RESEARCH

North Island Kākā

The 2013/14 Kākā breeding season saw 105 fledglings produced by 28 pairs. This represents the greatest number of birds produced in any single season. The number of pairs being monitored is constrained by the number of nest-boxes we offer. Nestlings were banded as part of ongoing population monitoring. There has been a significant increase in unbanded Kākā, confirming that birds fledged from natural nests both inside and outside the sanctuary.

This season also marked the first time Kākā have been transferred from ZEALANDIA to another site to help re-establish a population. The venture delivered partial success and an unexpected outcome. Two chicks were removed from nests for transfer to Boundary Stream via Pukaha Mt Bruce but when it was discovered that one was suffering symptoms of lead poisoning, more clutches were tested and another three chicks were sent to Massey University for treatment. Two of these Kākā have been released at Boundary Stream, the other three will be released there as soon as they have been cleared. The issue of exposure to lead in an urban environment and its ramifications will be a research topic in the next breeding season.

We ran two behind the scenes weekends for the public in November so they could experience Kaka as our monitors do. They were invited to accompany our regular monitors to selected nestbox sites and view chicks; they also received a background explanation of the monitoring program.

Red-Crowned Parakeet / Kākāriki

Monitoring ZEALANDIA's Kākāriki population has continued thanks to sponsorship by W N Pharazyn Charitable Trust. We were able to provide supplementary food for Kākāriki for the fourth consecutive year, improving their visibility for visitors, as well as helping us to monitor and catch birds for banding.

The population of Kākāriki grew considerably during the past year. Over 100 different birds were identified in March, which is the high point of the year with lots of juveniles present. This is compared to just over 50 the previous March.

There were 26 confirmed breeding pairs, compared to 13 in 2012/13. Successful pairs increase from one to three broods over a 3-9 month season. The two most productive pairs each raised 14 chicks successfully.

Over 164 fledglings were raised by the 26 pairs from the 49 nests that were located and 157 nestlings were banded.

We were surprised to find two pairs of Kākāriki breed (unsuccessfully) at five months of age towards the end of the season. First time breeders are usually less successful in fledging their chicks than more experienced pairs.

Hihi / Stitchbird

The breeding season was notable for having the most breeding pairs and fledglings recorded at ZEALANDIA since transfer in 2005. Twenty-six females produced over 100 fledglings.

It was also the first time that females have used natural cavities for nesting rather than supplied nestboxes. At least four nests went undetected, deduced from the number of unbanded juveniles that were seen and caught at feeder stations.

A new feeder design for delivering sugar water was adopted for use at our feeder stations this year. It increases the amount of sugar water held in reserve as well as increasing accessibility to the birds, thus reducing problems caused by dominance.

ZEALANDIA continued to support the research of John Ewen and his associates in Oxford, England by collecting data, tissue samples and feathers. The information provided also supported the Hihi Recovery Group in making its recommendations to further the national recovery of the species.



Hihi/Stitchbird: Janice McKenna

Korimako / Bellbird

The goal of establishing a viable Korimako population at ZEALANDIA took another backward step this season with poor recruitment of females into the breeding population continuing to be a limiting factor. While there were only five breeding females, productivity remained high (a feature of our site) with 32 fledglings. Encouragingly, another eight females were recorded at various sites within 2km of ZEALANDIA.

Takahe

Our pair of Takahe continue to thrive and be a highlight for our visitors. However this was the first year since their arrival in 2011 that they didn't nest. This is reflective of their age (almost 20 years). Eggs have been laid in previous breeding seasons but have not been fertile.



Kakapo

Sirocco, the Department of Conservation (DOC) travelling advocacy bird returned to ZEALANDIA for his second visit. Since he was last displayed here significant improvements had been made to his viewing enclosure. Sirocco arrived on 20th July and departed on 4th September. Alisha Sheriff (DOC) was his main minder and presenter and ZEALANDIA staff stepped in for Alisha when required. Sirocco gained weight steadily throughout his stay and his levels of activity and willingness to interact with the public remained high which indicated contentment with his surroundings.

Karearea / New Zealand Falcon

A pair of falcon was again recorded breeding in ZEALANDIA and although the nest was not closely monitored, one chick was recorded. Through the summer there were three separate instances of falcon being discovered either dead or fatally injured in suburbs adjacent to the sanctuary. This highlights both the vulnerability of falcon in an urban environment but also an increased local abundance of this threatened species. Falcon have continued to be seen and heard in the sanctuary.

Tuatara

One of the three juvenile display enclosures was decommissioned due to deterioration of the construction materials. As a result, the seven largest animals were released and the remaining eight were redistributed to the remaining enclosures.



Photo Credit: Tom Lynch

Maud Island Frogs / Pepeketua

ZEALANDIA remains the only site to have Maud Island frogs on display and they are seen regularly by visitors on ZEALANDIA by Night tours. Frog swaps (six females and four males) were undertaken in April to achieve a more even spread of numbers and maintain the genetic diversity in all three enclosures.

Flora

Over 600 locally sourced plants of 28 species were kindly provided to us by Forest & Bird's native plant nursery and their volunteers. Most of the planting was done at the southern end of the valley, and included some of the rarer plants such as matai (*Prumnopitys taxifolia*), *Coprosma foetidissima*, *C. rhamnoides*, *Meliccytus crassifolius*,

Pittosporum cornifolium and *Raukaua anomalus*. Many of these have been given individually numbered tags and recorded with GPS to help us monitor their survival and growth, as well as map their distribution. The NZ passionfruit (*Passiflora tetandra*) planted at the Visitor centre fruited for the first time, and the *Clematis paniculata* also planted experimentally there was covered in white flowers in spring.

Since planting records began in 2000, over 32,000 plants (c. 100 species) have been planted in the valley, mostly by volunteers. As well as introducing rare or missing species, planting revegetates disturbed areas after track work or weed management. Most of the rarer species have now had hundreds of specimens planted so to avoid unnatural age-homogeneity we will wait around 20 years to plant another cohort.

RESEARCH

Our location in Wellington and ground-breaking successes make the valley an attractive place for researchers to work and is reflected in our close relationship with Victoria University of Wellington.

ZEALANDIA is a 'living laboratory' where students and scientists can study our plants, animals and ecosystems.

By undertaking and supporting research in the valley, we enhance our understanding of changes that are occurring, the success of translocations and management activities, and increase knowledge about species, habitats and methodologies that could be applied elsewhere.

In 2013/14 ZEALANDIA hosted or assisted with six research projects undertaken by leaders in their field. Five PhD projects, one MSc and one MA projects were undertaken, and research was also undertaken by Trust staff.



Photo Credit: Janice McKenna

Major Research Projects

Researcher	Institution	Topic/Actions
Angela Moles	University New South Wales	Effect of climate change on herbivory.
Kristina Ramstad	Victoria University	Examination of the inbreeding effects on Little Spotted Kiwi.
Marcus Vandergoes & Rewi Newnham	GNS & Victoria University	Developing a palaeothermometer using bacterial remains for assessing past climate change.
John Ewen, Patricia Brekke & Trust staff	Institute of Zoology, London & ZEALANDIA	Inbreeding, genetic drift and genetic management in Hihi.
Rachael Shaw	Victoria University	Fitness levels and heritability of cognitive abilities in Robins.
Megan Van Etten	Massey University	Inbreeding rates of tree fuchsia.

PHD Research Projects

Researcher	Institution	Topic/Actions
Olivia Vergara Parra	Victoria University	Influence of introduced mammals on invertebrate communities.
Helen Taylor	Victoria University	Inbreeding and ecology of Little Spotted Kiwi.
Julia Loepelt	Victoria University	Cognition and foraging in Kākā.
Kirsty Yule	Victoria University	Differences in Puriri moth parasitism and Kākā predation rates between host species in a tri-trophic system.
Stephanie Price	Victoria University	Population viability of Tuatara.

MSC/MA Research Projects

Researcher	Institution	Topic/Actions
Melody Robyns	Victoria University	Seasonal cycle of bacterial lipids in NZ lakes.
Katie Sheridan	CUNY Queens College, USA	Distribution and habitat use of Pāteke.

BIOSECURITY

Mammalian Pests

Pest control work is an essential part of our conservation work. Only mice were detected in the scheduled pest audits in February and April, but following the discovery of an open gate in the perimeter fence in late April, a further audit using tracking tunnels, traps and detector dogs was undertaken. No breaches were detected.

Our one-hectare Research Area continues to be monitored and trapped to ensure ongoing suppression of mice.

Plant Pest Management

As in previous years weed survey and control was undertaken in summer and autumn. Over 40ha were surveyed and 67 species had some control undertaken. Unusual finds were *Rhaphalepus umbelata* (Sexton's bride), *Larus nobilis* (Bay) as well as increasing numbers of trackside apple trees from discarded cores.

Pest tree management was extended to include Sycamore (*Acer pseudoplatanus*) – the extent of the main infestation was confirmed and treatment undertaken over about 8ha. WCC contractors assisted staff and volunteers with this to prevent reinvasion of Denton Park from sanctuary managed land.

SANCTUARY BLUEPRINT

A working group was established this year to review the sanctuary's Landscape Plan which identifies themed nodes (areas) of visitor activity. The aim of the review is to identify what elements of the plan have been achieved, how the nodes are currently functioning and if they are still relevant.

The work of the group to date has confirmed that the originally identified nodes continue to have relevance as a concept, although some areas are still to realise their full potential and others have lost their original theme. The group is working on development plans for a number of the nodes that will enhance visitor experience.

The output of this project will be an addendum to the Landscape Plan that will outline plans to continue development of the nodes.

Goal 4: Relationships & Partnerships

ZEALANDIA is a valued partner, developing and sustaining strong, positive relationships that contribute directly to our vision and mission.

Partnerships are crucial to ZEALANDIA's success and during the year we worked with a number of our key partners including Wellington City Council, Victoria University of Wellington and the Wellington Zoo Trust. We also continued strengthening relationships with Wellington Community Trust, Department of Conservation, Botanical Gardens, Otari Wilton's Bush, Forest and Bird, World Wildlife Fund and Wellington Museums Trust.

Wellington City Council

Wellington City Council (WCC) provides key support to ZEALANDIA as a major funder as well through providing business support services. WCC's support allows us to focus on implementing strategies that will lead to the long term sustainability of the organisation.

Victoria University of Wellington

Our relationship with Victoria University has continued to strengthen. Meetings have been held throughout the year to craft a way forward that works for all parties. A workshop on 11th June 2014 to design a vision for the partnership, define the next steps and outline an action plan to continue moving the relationship forward.

Iwi

Strong relationships with local iwi, in particular the Wellington Tenth Trust, are critical in achieving wider Wellington sustainability initiatives.

Guardians

The role of the Guardians is to safeguard the founding vision of ZEALANDIA. The Guardians appoint up to five trustees and are a strong and vital partner to the organisation.

Nature Connections

ZEALANDIA is involved with the Wellington Regional Amenities Fund (WRAF) funded pilot project aimed at identifying and improving the interpretive connections between similar eco-tourism destinations in the Wellington region. Nature Connections is jointly led by ZEALANDIA and Wellington Zoo and includes Staglands Wildlife Reserve, Pukaha Mount Bruce and the Harbour Island Kaitaiki Boards and DOC on behalf of Mātū/Somes Island.

Each organisation will develop interpretive tools onsite highlighting why the region is inspirational and what the connections are between the partner organisations. ZEALANDIA will have four staff members trained as

‘trainers’ in presentation delivery. These trainers will subsequently provide a series of professional development training sessions for staff and volunteers aimed at improving presentation skill sets and improving the quality of the visitor experience at ZEALANDIA.

ZEALANDIA staff members have taken the opportunity provided by Nature Connections to visit each partner organisation’s site to gain a greater understanding of their visitor experience and interpretation techniques. Nature Connections has provided excellent opportunities for ZEALANDIA to build relationships with other partner organisations that we hope to continue fostering over the next 12 months of the pilot project.

Wellington Zoo

ZEALANDIA has a strong relationship with Wellington Zoo and we are grateful for their support and the veterinary care they provide for wildlife that comes from the sanctuary.

In February an injured adult male tuatara was discovered outside the perimeter fence. It was assumed to have climbed the fence and sustained damage to his tail and pelvis after falling from the tophat as there was no evidence of any burrowing under the fence. The tuatara was taken to The Nest Te Kōhanga at Wellington Zoo where he has been making his slow recovery.

Karori Halo Project

ZEALANDIA is a participant in the Karori Halo Project which aims to combine community engagement with conservation science to control predators around the sanctuary as well as create awareness of the importance of backyard diversity.



Goal 5: Revenue, Finance & Organisation

ZEALANDIA:

- closely monitors expenditure;
- continues to develop revenue generation capability;
- creates and maintains a ‘no surprises’ framework that facilitates the goals of the organisation, protects assets and preserves staff and visitor health and safety; and
- will develop a culture where staff are advocates and owners of the organisation’s vision, mission and values.

FINANCES

For the year ended 30th June 2014, the operating result before depreciation was \$25,005. This is an improvement of over \$260k compared to the previous year and almost \$500k better than 2011/12, demonstrating that the organisation is continuing its journey towards financial sustainability.

This improving trend is due to ZEALANDIA’s focus on generating sustainable revenue while monitoring expenditure. The table below shows our key revenue streams for 2013/14 and our performance compared to the previous year.

Revenue Stream	2013/14 Income	Performance compared to 2012/13
Admissions	\$922,100	8% better than last year. The impact of the price reduction in October was offset by the significant increase in numbers following the relaunch.
Food, Beverage & Function Hire	\$880,218	23% better than last year.
Membership Subscriptions	\$283,177	4% better than last year.
Grants & Donations	\$231,175	30% worse than last year. This is primarily due to the end of our sponsorship agreement with Mitsubishi. With a full time Fundraiser now in place, we are working to improve income generated in this area.
Retail	\$205,424	19% better than last year.

ZEALANDIA also received \$875,000 in funding from Wellington City Council and we thank them for their ongoing support.

RATA CAFE & FUNCTIONS

The cafe and functions business is crucial to the commercial development of ZEALANDIA as it supports and enables our conservation effort in the sanctuary.

Rata Cafe performed exceedingly well this year with revenue up 23% compared to 2012/13. This is due to increased functions business. The transition to sustainability incurred some one-off costs during the year which meant expenditure for the cafe was high but this will be tightly controlled in the next year.

Cafe promotions and events held throughout year have included:

- Friday Fish & Chips special
- Saturday Big Breakfast \$16 Deal
- Sunday High Teas
- Entertainment Book 2 for 1 main menu
- 12 Days of Christmas
- Bug Week Menu
- Winter Solstice Dinner
- Cooking Classes
- Coffee Training Evenings
- Wellington on a Plate – Kakapo and Kai Event and Burger Wellington

Cafe and functions has great potential and work will continue to grow this side of the business in 2014/15.



Photo Credit: Paul McCredie

RETAIL

The ZEALANDIA store stocks a wide range of souvenirs, giftware and books with a focus on flora and fauna inspired products. Retail performed well this year, with revenue up 19% compared to 2012/13.

FUNDRAISING

Income from sponsorship, grants, appeals, donations and bequests is vital to the success of our vision while allowing people help make a difference.

ZEALANDIA received \$231,175 in grants and donations in 2013/14 and we wish to thank everyone who supported us this year.

Fundraising income was down 30% compared to last year which is primarily due to the end of our Mitsubishi sponsorship. With a Fundraiser Coordinator now in place, work is underway to develop a fundraising strategy that will continue to grow this critical revenue stream.

SYSTEMS & PROCESS UPGRADE

This year has been about building a foundation upon which the organisation can grow. We have worked to upgrade systems and processes to allow ZEALANDIA's ongoing success.

An upgrade of our server is underway and WCC's wifi has been installed in the Visitor Centre, allowing us to offer free internet access to our visitors. We have seen good uptake of this service and hope to expand the access through the valley in future years.

We have implemented a quality assurance programme including a revamped record management system, ideas register and full debriefs that are completed after all events and promotions in order to learn from each experience and continue to improve our services.

KEY PERFORMANCE INDICATORS

Performance against WCC 2013/14 Statement of Intent KPIs for the Year ended 30th June 2014

	2013-14 Actual	2013-14 Target	Status
Non-financial Performance Measures			
Total Visit Numbers	99,213	89,366	↑
Total Education Visits	8,048	8,445	↓
Individual Members	10,919	9,900	↑
Volunteers	450	>400	↑
Quality of Visit	93%	90%	↑
Financial Performance Measures			
Average Subsidy/Visit	\$8.82	\$9.79	↓
Average Revenue/Visit	\$25.64	\$28.40	↓
Conservation Performance Measures			
Total Native Plant Species in the Sanctuary	180	176	↑
Total Adventives (Exotic) Plant Species	215	214	↑
Percentage Native Flora	46%	45%	↑
Total Native Fauna Species in the Sanctuary (all vertebrates & mega invertebrates)	42	42	←
Number of New Native Fauna Species Released (not previously present)	0	0	←
Total Exotic Fauna	17	17	←
Percentage Native Fauna	71%	71%	←

RECOGNITION

The ongoing support of individuals and organisations through grants, donations, subscriptions, technical advice and in-kind support is absolutely critical to ZEALANDIA's ongoing success.

We wish to sincerely thank the following for their support in 2013/14:

Principal Funder

- Wellington City Council

Strategic Partners

- Victoria University of Wellington
- Department of Conservation
- Wellington Tenth Trust

Founding Supporters

- NZ Lotteries Grants Board
- Todd Corporation & Todd Foundation
- Greater Wellington Regional Council
- Keith Taylor Charitable Trust
- The Fletcher Trust
- The Community Trust of Wellington

Kaka (Gold) Supporters

- Russel McVeagh
- New Zealand Community Trust

Tui (Silver) Supporters

- The Holdsworth Charitable Trust
- R&D Evans Charitable Trust
- W.N Pharazyn Charitable Trust
- Stout Trust

Hihi (Bronze) Supporters

- Noel & Joanna Todd
- The Kinsky Family Trust
- Karori Brooklyn Community Trust/The Lion Foundation
- Trusthouse
- Ministry of Tourism
- The Fleming Family
- Nature Heritage Fund
- The Pacific Development & Conservation Trust
- Pub Charity

Community Supporters

- The Rotary Club of Karori
- Karori Lions Club
- Forest & Bird
- The Combined Rotary Clubs of Wellington

Business Supporters

- GO Wellington
- Tuatara Breweries
- Centaman System
- Kaimira Estate Wines
- Beca
- The Dominion Post
- Designwork
- Steam & Sand

Other Supporters

- Ngati Kuia
- Ngati Paoa
- Te Kawerau a Maki
- Ngati Manuhiri
- Ngai Tahu
- Ngati Toa
- Ngati Koata
- Te Ati Awa ki Whakarongotai
- Port Nicholson Block Settlement Trust
- MetService
- Southland Museum and Art Gallery
- Ministry of Education
- Woolyarns Ltd
- Dorothy L Newman Charitable Trust
- Ernst & Young
- Massey University
- Auckland University
- Wellington Zoo
- Techsoup/Microsoft
- Wellington Botanical Society
- PricewaterhouseCoopers
- Harbour City Security
- Hyve Communications
- A.J Wills

Business Goes Bush & Corporate Members

- Bolton Hotel
- Tregaskis Brown
- Kenex Knowledge Systems
- Intergen
- Leadership Matters Ltd

And a very special mention to our volunteers and members.

Appendix A: Financial Statements 2013/14

KARORI SANCTUARY TRUST (INC.)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014



Karori Sanctuary Trust (Inc.)
Statement of Financial Performance
For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Operating revenue			
Membership subscriptions		283,177	281,804
Wellington City Council grant		875,000	350,000
Other grants and donations		231,176	332,581
Admissions		922,100	857,293
Sale of goods		1,085,642	886,198
Other		22,206	15,879
Total operating revenue		3,419,301	2,723,755
Other income			
Interest received		24,329	24,822
Total operating revenue and other income		3,443,630	2,748,577
Operating expenses			
Cost of goods sold		374,536	285,623
Other operating expenditure	2	2,894,882	2,541,674
Audit fees		21,410	26,750
Trustee remuneration		87,800	91,000
Interest paid	7	39,997	40,735
Total operating expenses		3,418,625	2,985,782
Operating surplus/(deficit) before depreciation		25,005	(237,205)
Less Depreciation	3	(1,398,380)	(1,461,438)
Less Impairment of fixed assets		-	(218,081)
Net deficit		(1,373,375)	(1,916,724)

The accompanying notes on pages 5 to 11 form an integral part of these financial statements.

Karori Sanctuary Trust (Inc.)
 Statement of Movements in Equity
 For the year ended 30 June 2014

	2014	2013
	\$	\$
Accumulated funds at beginning of year	5,630,273	7,546,997
Net surplus/(deficit)	<u>(1,373,375)</u>	<u>(1,916,724)</u>
Total recognised revenues and expenses for the period	(1,373,375)	(1,916,724)
Accumulated funds at end of year	<u>4,256,898</u>	<u>5,630,273</u>

The accompanying notes on pages 5 to 11 form an integral part of these financial statements.



Karori Sanctuary Trust (Inc.)
Statement of Financial Position

	Note	2014 \$	2013 \$
As at 30 June 2014			
Equity			
Accumulated funds		4,256,898	5,630,273
Represented by:			
Current assets			
Cash and bank		489,043	734,884
Accounts receivable		44,643	13,723
Prepayments		18,194	52,522
Stock on hand		82,638	72,647
GST refund		-	-
Total current assets		634,518	873,776
Non current assets			
Fixed assets	6	14,953,837	16,294,891
Total non current assets		14,953,837	16,294,891
Total assets		15,588,355	17,168,667
Current liabilities			
Accounts payable and accruals		117,195	190,542
GST to pay		12,082	18,722
Community Trust loan	7	108,333	108,333
Accrued holiday pay		80,742	97,711
Unearned subscription income		166,416	176,397
Total current liabilities		484,768	591,705
Non current liabilities			
Community Trust loan	7	500,000	600,000
Wellington City Council loan	8	10,346,689	10,346,689
Total liabilities		11,331,457	11,538,394
Net assets		4,256,898	5,630,273

The Board of Trustees authorised the financial statements for issue on

Chair: 

Date: 30/9/2014

Trustee: 

Date: 30/9/2014

The accompanying notes on pages 5 to 11 form an integral part of these financial statements.

Karori Sanctuary Trust (Inc.)

Statement of Cash flow

For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Cash was provided from:			
Membership subscriptions		273,196	286,487
Grants and donations		1,106,177	682,581
Admissions and other income		1,999,027	1,759,371
Interest received		24,329	24,822
Total		<u>3,402,729</u>	<u>2,753,261</u>
Cash was applied to:			
Payments to suppliers and employees		(3,444,605)	(2,900,499)
Net GST payment		(6,640)	19,085
Total		<u>(3,451,245)</u>	<u>(2,881,414)</u>
Net cash flows from operating activities	9	<u>(48,516)</u>	<u>(128,153)</u>
Cash flows from investing activities			
Cash was applied to:			
Purchase of plant, equipment & other assets		(57,327)	(62,420)
Net cash flows from investing activities		<u>(57,327)</u>	<u>(62,420)</u>
Cash flows from financing activities			
Cash was applied to:			
Interest paid		(39,998)	(40,735)
Repayment of loan	7	(100,000)	(100,000)
Net cash flows from financing activities		<u>(139,998)</u>	<u>(140,735)</u>
Net decrease in cash		(245,841)	(331,308)
Opening cash		734,884	1,066,192
Closing cash		<u>489,043</u>	<u>734,884</u>
Cash and cash equivalents comprise			
Cash and bank		<u>489,043</u>	<u>734,884</u>

The accompanying notes on pages 5 to 11 form an integral part of these financial statements.



Karori Sanctuary Trust (Inc.)
Notes to the Financial Statements
For the year ended 30 June 2014

1. Statement of accounting policies

i. Basis of reporting

The financial statements presented here are for the reporting entity, the Karori Sanctuary Trust. The Trust is a charitable trust registered under the Charities Act 2005, established to develop a secure native wildlife sanctuary in the Karori Reservoir valley in the city of Wellington.

The Trust is a qualifying entity within the differential reporting framework issued by the New Zealand Institute of Chartered Accountants. The Trust qualifies on the basis that it has no public accountability (that is: not an issuer as defined under the Financial Reporting Act 1993 nor does it have coercive power to tax, rate or levy to obtain public funds) and is not considered large as defined by the framework. The Trust has taken advantage of all differential reporting concessions available to it except for FRS10 Statement of Cash Flows.

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. The Trust has chosen not to adopt the New Zealand equivalent to International Financial Reporting Standards (NZ IFRS). The decision not to adopt is consistent with the exemption provided by the Accounting Standard Review Board (ASRB) Release 9, issued September 2007. ASRB Release 9 provides a choice to certain qualifying entities to either adopt NZ IFRS or to continue to apply New Zealand Financial Reporting Standards (NZ FRS).

The measurement base adopted is that of historical cost.

Reliance is placed on the assumption that the Trust continues to receive sufficient income to fund ongoing operations.

ii. Recognition of revenue

Grants are recognised as revenue when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement have not been completed are carried as liabilities until all the conditions have been fulfilled.

Revenue received from membership subscriptions is allocated proportionally over the period to which they relate. The unearned portion of subscriptions is shown under current liabilities. Prepaid visits are also treated as current liabilities.

Sales of goods and admissions comprise the amounts received and receivable for goods and services supplied to customers in the ordinary course of business. This revenue is recognised when the goods or services are provided to the customer.

Interest income is accounted for as earned.

In the financial statements, there is no financial recognition of support given in the form of donated labour and materials.

iii. Fixed assets

Fixed assets are recorded at cost less accumulated depreciation and impairment.

The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

iv. Depreciation

Depreciation of fixed assets is calculated on a straight-line basis so as to allocate the cost of the assets over their useful lives as follows:

Building / infrastructure	10 - 100 years
Exhibitions	3 - 5 years
Leasehold improvements	10 - 25 years
Predator fence	25 - 50 years
Fixtures, plant and equipment	5 - 75 years

Vehicles	5 - 10 years
Boat	15 years
Other Assets	2.5 - 50 years

v. Accounts receivables

Accounts receivable are stated at anticipated realisable value after providing against debt where collection is doubtful.

vi. Stock on hand

Stock on hand comprise of retail and food & beverages. They are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis.

vii. Leased assets

As lessee:

Operating lease payments are recognised as an expense in the periods the amounts are payable.

viii. Impairment

Annually, the management assesses the carrying value of each asset. Where the estimated recoverable amount of the asset is less than its carrying amount, the asset is written down. The impairment loss is recognised in the statement of financial performance.

ix. Employee entitlements

Employee entitlements to salaries and wages, annual leave and other benefits are recognised when they accrue to employees.

The liability for employee entitlements is carried at the present value of the estimated future cash outflows.

x. Goods and services tax (GST)

The financial statements have been prepared so that all components are stated exclusive of GST with the exception of receivables and payables that include GST invoiced.

xi. Income tax

The Trust being a charitable organisation is income tax exempt under the Income Tax Act 2007.

xii. Statement of cash flows

The following are the definitions of the terms used in the statement of cash flows:

- (a) Operating activities include all transactions and other events that are not investing or financing activities.
- (b) Investing activities are those activities relating to acquisition, holding and disposal of property, plant and equipment and of investments.
- (c) Financing activities are those activities that result in changes in the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash.
- (d) Cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts.

xiii. Changes in accounting policies

There have been no changes in accounting policies in the year.

2. Operating expenditure

	2014 \$	2013 \$
Administration and management	140,869	101,970
Personnel costs	1,914,455	1,769,617
Other operating expenditure	839,558	670,087
Total	<u>2,894,882</u>	<u>2,541,674</u>

3. Depreciation

	2014 \$	2013 \$
Trust buildings	186,590	187,121
Exhibition centre	893,328	938,449
Leasehold improvements	56,915	56,915
Predator fence	95,231	95,230
Fixtures, plant and equipment	57,695	57,660
Vehicles	13,374	12,507
Other assets	<u>95,247</u>	<u>113,556</u>
Total	<u>1,398,380</u>	<u>1,461,438</u>

4. Cash and Cash Equivalents

	2014 \$	2013 \$
Cash and bank	239,043	484,884
Term Deposit	250,000	250,000
Total	<u>489,043</u>	<u>734,884</u>

5. Capital commitments

There are no capital commitments (2013 nil).

6. Fixed assets

	Cost	Accumulated depreciation and impairment	Net book value 2014
	\$	\$	\$
Trust buildings	11,603,124	1,323,134	10,279,990
Exhibition centre	3,629,357	2,616,630	1,012,727
Leasehold improvements	1,132,006	388,344	743,662
Predator fence	2,457,633	1,332,558	1,125,075
Fixtures, plant and equipment	1,694,622	464,012	1,230,610
Vehicles	164,217	96,044	68,173
Other assets	1,156,781	663,180	493,601
Total	21,837,739	6,883,902	14,953,837

	Cost	Accumulated depreciation	Net book value 2013
	\$	\$	\$
Trust buildings	11,603,124	1,136,544	10,466,580
Exhibition centre	3,629,357	1,723,302	1,906,055
Leasehold improvements	1,132,006	331,429	800,577
Predator fence	2,457,633	1,237,327	1,220,306
Fixtures, plant and equipment	1,681,544	406,317	1,275,227
Vehicles	164,217	82,670	81,547
Other assets	1,112,532	567,933	544,599
Total	21,562,332	5,267,441	16,294,891



7. Community Trust loan

The Trust received a loan of \$1,500,000 in 1999 from the Community Trust of Wellington to fund the construction of the predator fence with the Wellington City Council as a guarantor for this loan. Repayment commenced in 2005/6 over a 15 year period. Interest payments commenced in 2004/5.

The current portion of the term liability as at 30 June 2014 was \$108,333 (2013: \$108,333) and the interest for the current year was 5.41% (2013: 5.41%).

8. Wellington City Council Loan

In 2007, an interest free limited recourse loan agreement of \$8m was entered into with the Wellington City Council to assist with the development of ZEALANDIA Visitor Centre Project. This loan was further increased to \$10,346,689 in 2009.

The loan is repayable subject to the availability of surplus funds in any financial year as defined in the terms of the loan agreement. The loan is classified as a non current liability as it is not budgeted to be repaid within one year. Due to surplus, funds not expected to be available.

9. Reconciliation of cash flow statement

Reconciliation of net cashflow from operating activities with operating surplus

	2014	2013
	\$	\$
Net (deficit) / surplus from operations	(1,373,375)	(1,916,724)
Add / (deduct) non cash items		
Depreciation	1,398,380	1,461,438
Fixed assets impairment	-	218,081
Interest paid	39,997	40,735
Movements in working capital items		
Decrease / (increase) in GST receivable	(6,640)	19,087
Decrease/ (increase) in stock on hand	(9,990)	4,808
Decrease / (increase) in accounts receivable and prepayments	3,407	18,813
(Decrease) / increase in income in advance	(9,981)	-
(Decrease) / increase in accounts payable from operations	(90,314)	25,609
	(90,314)	68,317
Net cash flow from operating activities	(48,516)	(128,153)

10. Related party transactions

During the year, the following material related party transactions occurred.

	2014	2013
	\$	\$
Related party transactions:		
Grants from Wellington City Council	875,000	350,000
Board remuneration paid to Trustees	87,800	91,000
Year end balance:		
Wellington City Council Loan	10,346,689	10,346,689

11. Lease commitments

i. ZEALANDIA land

The Trust is a party to an agreement with the Wellington City Council and Wellington Regional Council for the transfer of ZEALANDIA land and its ultimate lease to the Karori Sanctuary Trust. The lease agreement is currently being finalised.

ii. Trust offices

The Trust leases its office building from the Wellington City Council at an annual rental of \$7,280 (2013 \$7,280).

iii. Photocopier and EFTPOS terminals

The Trust rents a photocopier from Canon at an annual rental of \$2,100 (\$2013 \$3,176). The rental agreement expires in April 2018.

EFTPOS terminals are lease leased from Direct Payment Solutions at an annual rental of \$5,388. The lease agreement expires in March 2015. An additional mobile unit is leased for an annual rental of \$828. The lease for the mobile unit expires in September 2017.

12. Contingent liabilities

There are no contingent liabilities as at 30th June 2014 (2013 nil).

13. Post balance date events

There is no post balance date event which affects these financial statements (2013 nil).



Independent Auditors' Report

to the members of Karori Sanctuary Trust (Inc.)

Report on the Financial Statements

We have audited the financial statements of Karori Sanctuary Trust (the "Trust") on pages 1 to 11, which comprise the statement of financial position as at 30 June 2014, and the statement of financial performance, statement of movements in equity and statement of cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Trustee's Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal controls as the Trustees determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the entity's preparation of financial statements that present fairly the matters to which they relate, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditors we have no relationship with, or interests in the Trust,

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Independent Auditors' Report

Karori Sanctuary Trust (Inc.)

Opinion

In our opinion, the financial statements on pages 1 to 11 present fairly, in all material respects, the financial position of the Trust as at 30 June 2014, and its financial performance and cash flows for the year ended on that date in accordance with generally accepted accounting practice in New Zealand.

Restriction on Use of our Report

This report is made solely to the Trust's members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's members, as a body, for our audit work, for this report or for the opinions we have formed.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers' in a cursive script.

Chartered Accountants
3 October 2014

Wellington

Item 3.1 Attachment 4



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'Wellington Zoo is a conservation and sustainability leader.'

Trust Chair Report

Wellington Zoo is now a modern 21st century zoo of world class standing. Our future focus will be continuing the positioning of the Zoo as a conservation and sustainability leader and a place of community connections with wildlife. Our Conservation Connections visitor experience theme has reinforced our 'love not loss' approach to conservation advocacy and has unified the messages in the Zoo about conservation action. We were carboNZero certified again this year – an achievement of which we are extremely proud.

We will begin construction of *Meet The Locals*, our New Zealand precinct in 2014-15. This large area of the Zoo will be our love story for New Zealand and will be an interactive and engaging experience for our visitors. This precinct will celebrate New Zealand and take people on a journey from the sea to the mountains of our amazing country.

We will also open a new Serval and Caracal exhibit in September 2014. This habitat will provide a close look at two very special African cats and add another experience to the African precinct.

We are planning for beyond the end of the current Zoo Capital Plan (ZCP), to identify areas for improvement going forward and to look towards ZCP 2.

We want to ensure more endangered species will call Wellington Zoo home in the future to enable community advocacy for these animals and we continue to support field conservation projects for the animals in our care that are critically endangered in their range state.

I would like to express my thanks for the dedication of our Trustees in supporting the work of the Zoo. The Trustees work in partnership with the Zoo's strategic management team to ensure Wellington Zoo achieves its goals.

As we move into 2014-15 we are very clear about the role Wellington Zoo plays in our community. We have created a place which contributes to social good and community well being. The Zoo is a place of family learning, best practice animal care, conservation excellence and community good.

Wellington Zoo is a world class zoo with a bright future.

Ross Martin
Chair, Wellington Zoo Trust



3

"We are proud Wellingtonians and we want other Wellingtonians to be proud of their Zoo."

Chief Executive Report

At Wellington Zoo we celebrate wildlife and encourage people to find their personal connection with nature. With 227,434 visitors this year we have again engaged our community with our animals and our staff.

We opened *Neighbours*, our Australian precinct, complete with Tasmanian Devils this year. This unique experience creates experiences which help our visitors get closer to our animal neighbours from across the ditch. Hero HQ won the best *Small Exhibit from a Large Organisation Award* at the Zoo Aquarium Association Conference this year. We are very proud of this innovative exhibit which is home to the superheroes of the animal world – invertebrates and reptiles.

We welcomed a number of animals to Wellington Zoo this year which are of conservation importance – Golden Lion Tamarins, Sumatran Tiger, Black-and-White Ruffed Lemurs, Tasmanian Devils and Cheetah. These animals are under pressure in the wild and we support field conservation programmes in their range states which seek to keep them safe in the wild.

The Trust was able to generate 56% of its operational costs this year and finished with a positive financial result of \$71,935 which becomes an operating surplus of \$10,401 after transfers to and from restricted funds.

Financial sustainability is important to us so that we can reduce our dependence on city ratepayers and still invest in the conservation outcomes, staff development and community well being initiatives essential in a modern zoo. Wellington Zoo Trust met or exceeded 16 of our 21 targets we set ourselves for 2013-14¹, a 76% success rate compared with 70% last year.

Our Zoo continued to achieve great outcomes this year and the Zoo team showed their dedication and passion for our work every day. We continue to drive for excellence through social entrepreneurship, best practice animal care and creative thinking. We are proud Wellingtonians and we want other Wellingtonians to be proud of their Zoo.

Karen Field
Chief Executive



¹ This is for both our internal and external measures.

Strategic Direction

OUR DREAM

To be the best little zoo in the world.

OUR PURPOSE

We celebrate wildlife and encourage people to find their personal connection with nature.

OUR SIX STRATEGIC ELEMENTS:

Our six strategic elements have again guided our progress over the last 12 months, helping us to achieve our dream to be the best little zoo in the world.

1. CREATE OUTSTANDING, INTIMATE AND UNIQUE VISITOR EXPERIENCES

- New animal arrivals
- Building the best little zoo in the world
- New achievements in visitor engagement across the Zoo

2. INTEGRATE CONSERVATION AND SUSTAINABILITY ACROSS THE ORGANISATION

- carboNZero accreditation and environmental sustainability
- Supporting conservation of species in the wild
- Community conservation programmes

3. ACHIEVE FINANCIAL SUSTAINABILITY

- Growing support from partners
- Record visitor numbers, revenue and annual membership

4. BUILD LASTING COMMUNITY SUPPORT AND PARTICIPATION

- Nature Connections
- The Warehouse Zoofari
- Volunteer programme
- Increased involvement with our community

5. SHOW INDUSTRY LEADERSHIP

- Staff representation on industry boards and other committees
- Staff presentations at conferences for the zoo and aquarium industry, education, conservation and advocacy
- Leading the way in approaching animal welfare from a new perspective
- Developing national plans for advocacy for Kiwi
- Veterinary excellence

6. ENSURE ALL STAFF ARE MOTIVATED AND VALUED

- Building the capability and performance of our people
- Growing our people engagement
- Strengthening leadership and management capabilities

1. Create Outstanding, intimate and unique visitor experiences

Animals in our Care

The animals at Wellington Zoo help to connect our visitors with the living world. We provide our animals with the best possible care and share our love for animals with our visitors.



Newborn delights

We celebrated another primate baby boom this year, with our Pygmy Marmosets continuing their phenomenal breeding success by giving birth to four more infants. The family group in the Mojo Café habitat delivered a daughter in September, followed by twins in February 2014. The group in the Mini Monkeys habitat welcomed a newborn in February. We also celebrated the arrival of a newborn Bolivian Squirrel Monkey in November, followed by five more in December – much to the delight of our visitors and staff.

Our mob of Meerkats also bore young again this year, as did Agouti, Derbyan Parakeets, Sun Conures and our Giant Rainforest Mantids in Hero HQ.

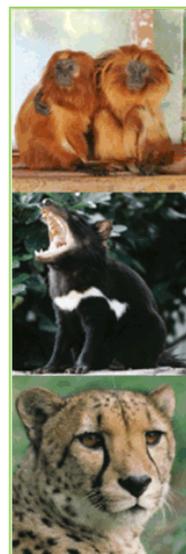
Valuable newcomers

In September we went bananas for primates! We welcomed a pair of beautiful and charismatic Golden Lion Tamarins – the first at Wellington Zoo since 2007 – to contribute to the international conservation breeding programme for these endangered primates. They have settled in well to their new home in the Mini Monkeys habitat. We also introduced a male Black-Handed Spider Monkey to our group of females on Monkey Island, and have high hopes for breeding success.

2013 ended on a high note when four feisty Tasmanian Devils moved into Neighbours, our newly opened Australian walk-through precinct. These curious carnivores were an instant hit with visitors and are proving to be fantastic ambassador animals, creating awareness for the conservation efforts needed to ensure the survival of this endangered species. Tasmanian Devils are under threat due to Devil Facial Tumour Disease, an invasive cancer that is becoming increasingly widespread in the wild population. Wellington Zoo holds these Devils as part of an international programme to maintain an insurance population in zoos and wildlife parks.

A new pair of male Black-and-White Ruffed Lemurs, Lucky and son Ankari, joined us from Hamilton Zoo in April of 2014 – after we bid a fond farewell to our pair of females, Fi and Flavia, who headed to Melbourne Zoo.

We were also delighted to welcome three feline additions to the Zoo in June. Senja the Sumatran Tiger arrived from Mogo Zoo, and moved in to the Asia precinct. She



will be joined by a male Sumatran Tiger in the hope they will become a breeding pair and contribute to the international conservation breeding programme for these critically endangered cats. Visitors also had the opportunity to spot new Cheetah brothers Cango and Kunjuka, who arrived from Orana Wildlife Park to join our Close Encounters programme. We were deeply saddened by the loss of Shomari, who arrived at the Zoo at the same time as Cango. Their brother, Kunjuka, arrived a few days later, and both have been settling in well to life in Wellington.



Fond farewells

This year it was time for three of our Kākā to head north. Harold spread his wings in October and made his way to his new home, a walk-through aviary in Rotorua's Rainbow Springs. He was soon followed by Kohai, who was transferred to Auckland Zoo in May; and Rata, who went to Otorohanga Kiwi House and Native Bird Park in early June.

We were deeply saddened to lose our much-loved female Sumatran Tiger, Cantik, who was euthanased at the age of 21 due to a malignant adrenal tumour, along with severe arthritis. Cantik was an important part of the international conservation breeding programme for these critically endangered tigers, and her legacy lives on at Wellington Zoo through her son, Rokan and other offspring in other zoos in the region.

We also had to say goodbye to Delta, one of the Zoo's two Cheetah brothers, who had to be euthanased due to kidney failure. Delta was a wonderful ambassador for Wellington Zoo, with thousands of visitors meeting him and his brother, Charlie, as part of our Close Encounters programme.

Our three remaining African Wild Dogs, Mongo, Moyo and Jelani, were euthanased due to age related health issues; as were our two elderly Red Pandas, Jay and Reka; Manu the Brown Capuchin; Antonio the Bolivian Squirrel Monkey; and Jackie the Hamadryas Baboon.

Building our 21st Century Zoo

Wellington Zoo is now entering the ninth year of the Zoo's ten year Zoo Capital Programme (ZCP). This programme has improved animal housing, staff facilities and visitor experience.

Accolades

Our recently-opened reptile and invertebrate house Hero HQ was awarded Best Small Scale exhibit from a Large Institution at the Zoo and Aquarium Association (ZAA) Australasian Regional Conference in March of 2014. Hero HQ was praised for its innovative design and vibrant, multi-layered and fascinating visitor experience, a testament to the creativity of our in-house design team.





Significant steps

Our walk-through Australian precinct, Neighbours, was officially opened at the end of September by Her Worship the Mayor, Celia Wade-Brown, and Australian High Commissioner to New Zealand Michael Potts, and is the new home for Eastern Grey Kangaroos, Parma and Tammar Wallabies, Emu, Dingoes, Australian Water Dragons, Brolga Crane and Cape Barren Geese. The design of Neighbours is a continuation of Wellington Zoo's great creative tradition of designing and building innovative exhibits in-house, and this engaging walk-through exhibit has brought our visitors closer than ever to our Aussie animals – all the while encouraging them to learn more about our animal neighbours across the ditch!

Just in time for the start of the summer holidays, on Friday 13 December Her Worship the Mayor joined us again to celebrate the official opening of a highly anticipated exhibit within Neighbours for four tremendous Tasmanian Devils – joined by Hon Dr Nick Smith, Minister of Conservation; His Excellency Michael Potts, Australian High Commissioner to New Zealand ; Howel Williams, Director Policy and Projects for Department of Primary Industries, Water and Environment Tasmania; and Ross Martin, Wellington Zoo Trust Chair. The specially constructed exhibit was funded with the generous support of Wellington City Council.



Looking ahead

The final major phase of the ZCP is our New Zealand precinct, Meet the Locals. A developed and detailed design of the precinct has been completed, and the first phase of construction is underway. This large space in the Zoo will tell the unique stories of New Zealand's flora and fauna. It is our love story for New Zealand.

In the African Savannah precinct, design and construction has commenced on a new exhibit for our four Servals. This modern exhibit is due for completion in September and will also be home to two Caracals when they arrive later in the year.



Visitor Experience

We continued to build and expand on the Conservation Connection theme to engage our visitors with conservation through our animals and staff. Conservation Connection was successfully woven into events, signage, learning programmes and talks.

At Wellington Zoo we know that interaction plays an important role in creating connections, and our visitors have the chance to meet fascinating native and exotic contact animals the minute they enter the Zoo. This year we achieved over 1,200 animal contact hours with visitors across the Zoo.

In 2014 we were excited to be involved with Habitat, a global touch-based mobile game that helps children learn about environmental sustainability in a fun and engaging way. Players complete tasks to earn virtual pins, encouraging kids to visit local places and connect with nature. There are a number of unique pins across Wellington – including one that represents Sasa, one of our Sun Bears. Young visitors can earn a Sasa pin by answering multi-choice questions about Sun Bears, helping them to learn more about the animals in an interactive way. Through the Habitat app players can also earn points through ‘real-world missions’ that reduce their ecological footprint, like walking to school, recycling, and turning off the lights.



Events

With the year filled with new animals, openings and special occasions, we hosted a multitude of events to engage our visitors and enrich their experience with all the exciting new goings-on in the Zoo. Our events have also proved effective in encouraging visitors to take action for the environment.

In September we held Do at the Zoo during Conservation Week – a fun day to celebrate conservation with our visitors and their families, supporting the overarching Conservation Week theme of ‘What’s your whānau doing?’ It was a fantastic day with fun activities and engaging conservation talks throughout the day for over 1,000 visitors. With entry of just \$2 for children, all proceeds from the day went directly to the Wellington Zoo Conservation Fund – allowing our community to personally contribute to animal conservation.

The visitor opening of Neighbours, our walk-through Australian precinct, coincided with the first weekend of September school holidays, seeing the Zoo bustling with visitors of all ages enjoying the chance to get up close to their Australian animal neighbours. Entertainment played on Australian pop culture and backyard fun – with Aussie-themed games and prizes, face painting and special animal talks in the exhibit.

The arrival of Tasmanian Devils was another reason to celebrate all things Australian, and our visitors officially welcomed them with a bang on our Aussie Gala Day in late January. Our Keepers and Visitor Rangers delivered Tasmanian Devil talks throughout the day, and we celebrated with stilt walkers, face-painting, games, prizes, music and giveaways.

On Valentine’s Day we hosted our annual wildly successful adults-only



evening at the Zoo, with over 300 visitors enjoying wine, food and song. The theme for this year's event was 'Conservation is Love', and we delivered a special talk programme that gave our grown-up visitors a chance to learn more about what goes on when the lights go off in the animal kingdom!

Responding to visitor requests for later opening hours in summer, we launched Zoo Twilights – an opportunity for visitors to experience the magic of the Zoo after hours every Wednesday throughout February. We kept our doors open until 8pm on these days, providing the perfect opportunity for people to unwind after work and school with family and friends. Close to 500 visitors came along to enjoy the special evening talk programme, live music and late-night Close Encounters.

Our 'Winter Wednesdays' promotion in August was another success, with over 6,200 visitors taking the opportunity of reduced entry prices to enjoy our winter wonderland through the month.

Wellington Open Day in late May was our busiest day ever, with 7,006 visitors enjoying the Zoo. Over \$9,500 was raised for the Wellington Zoo Conservation Fund. Lessons learned from our previous busiest ever day (Open Day last year) meant that we could improve visitor flow and our entry experience, with no queues forming.

June 5 marked World Environment Day, an annual global event that celebrates positive environmental action. The UN declared 2014 the International Year of Small Island Developing States, and in recognition we celebrated our 'island animals' with visitors on Queen's Birthday Monday, with 10% of entries going to the Wellington Zoo Conservation Fund. Performances from the Junk Monsters delighted both young and old, along with games, face painting and a costume competition. Kids enjoyed designing their own recyclable canvas bags at Kamala's, and were spellbound at the opportunity to meet a Tuatara at a talk with guest speakers from ZEALANDIA and Matiu/Somes Island. A photo booth with props was also on site to engage visitors with the island wildlife theme, which then gave them a personal memento from the day to take home – and inspire a greater passion for wildlife.



The arrival of our female Sumatran Tiger, Senja, was a great reason to celebrate Wellington Zoo's work with 21st Century Tiger, and our participation in the international conservation breeding programme. The Asia precinct hummed with activities, games, face painting and extra tiger talks throughout Tiger Weekend in mid June, and we invited our visitors to sign a welcome card for Senja as well as write postcards to send to tiger protection rangers in Indonesia.

Living Classroom

The Living Room is the heart of formal learning at the Zoo. Over 11,500 students from over 200 schools visited this year to participate in Ministry of Education Learning Experiences Outside the Classroom (LEOTC) programmes. 50% of students came from Wellington and the Wellington region, and 50%

outside of the region visiting Wellington Zoo to take advantage of our extraordinary learning opportunities.



Our school holiday programme continues to be popular, and we accommodated over 1,300 children over the four school holiday periods throughout the year. We listened to feedback from parents and extended the age range to include 11 and 12-year-olds, and developed several new themed daily sessions. 93% of parents were pleased with their child's experience, and with how much their child's knowledge of wildlife had increased.

We wanted to inspire intermediate-aged students to find their own conservation connections. In the second half of 2013 we launched Wellington Zoo's inaugural Conservation Challenge. Teams of year 7 and 8 students participated in the project, which encouraged them to take action on an environmental issue that was important to them. The winning team from Seatoun School focused on the issue of litter along the Oruaiti Reserve walkway, and visited Wellington Zoo for a prize giving ceremony and to experience a unique New Zealand Natives Encounter.

Normandale School teacher David Haste spent the two latter terms of 2013 based at Wellington Zoo as a Primary Science Teacher Fellow. The Fellowship is funded by Ministry of Business, Innovation and Employment and administered by the Royal Society, and aims to immerse teachers in a science environment. During his six-month stay, David assisted the Wellington Zoo educators and lent a helping hand to Zoo learning projects, including the Bush Builders programme.

In March of 2014 our Educators participated in the Festival of Education in Frank Kitts Park, organised by the Ministry of Education to highlight learning and collaboration. Here we showcased our unique learning environment with conservation activities and games.

More than 70 secondary school students attended our annual Careers Day on World Environment Day in June. A Veterinarian Nurse and two Keepers spoke about their roles and gave animal demonstrations to the enthralled students, who then got stuck into hands-on volunteer activities to get a taste of Zoo working life.

Continuous feedback from students is crucial for a successful learning environment, and with this in mind we installed engaging feedback boards in the Living Room in order to gather real time data on how school students feel about participating in our learning sessions.



2. Integrate Conservation and Sustainability across the organisation

Keeping conservation at the heart of everything we do at Wellington Zoo is our number one priority. We have continued to participate in local, national, and international conservation efforts both within the Zoo and in the field, and our people led and presented at a raft of environmental sustainability workshops throughout the year.

Sustainability

After becoming the world's first carboNZero certified zoo last year, we successfully achieved this certification again in 2013-14. Our range of sustainability initiatives implemented to reduce our water and power usage and production of waste saw us pass our audit once again with flying colours. We successfully reduced our power consumption by 5% this year, which contributed to our achieving our carboNZero re-certification.



We were proud to be approved for membership of the Sustainable Business Council, a CEO led group of companies that catalyses the New Zealand business community to have a leading role in creating a sustainable future for business, society and the environment. In September we were thrilled to win the Sustainable 60 Marketplace award for excellence in sustainable initiatives. The Sustainable 60 Awards celebrate and reward innovation that supports sustainable business practice in New Zealand, and we were thrilled to add this award to our list of achievements in sustainability initiatives.

Conservation Awareness



In April of 2014 we created a full-time role to highlight the importance of conservation to our organisation and recruited Wellington Zoo's first Conservation Manager, Daniela Biaggio.

This crucial role was designed to fully integrate conservation and sustainability across all areas of the Zoo, to focus on how we communicate our conservation messages with our visitors and wider community, and work alongside our local and international conservation partners.

In June we were thrilled to host world-renowned primatologist and conservationist Dr Jane Goodall DBE at Wellington Zoo. Dr Goodall attended an afternoon tea with Zoo staff and had the opportunity to observe our troop of Chimpanzees. Wellington Zoo, in conjunction with the Allan Wilson Centre, Victoria University of Wellington and The Centre for Science Communication University of Otago, helped to bring Dr Goodall to Wellington as part of her international series of talks, 'Jane Goodall at 80'. The Michael Fowler Centre was sold out as Wellingtonians listened to this inspiring living legend sharing her life's experiences.



Conservation Partnerships

In 2013-14 we proudly started supporting six new conservation partners – reiterating our commitment to working with conservation organisations around the world to ensure the survival of endangered and critically endangered species.



Associação Mico-Leão-Dourado (The Golden Lion Tamarin Association)

Forty years ago, fewer than 200 Golden Lion Tamarins (GLTs) remained – but thanks to zoos and conservation organisations there are now approximately 1,600 living in the wild today. With the arrival of two GLTs in September, we signed a three-year MOU with Associação Mico-Leão-Dourado (The Golden Lion Tamarin Association) in Brazil to support their work in protecting GLTs in their natural habitat, and donated funds to help pay for a communications intern to help them further engage their

community with these precious primates.

Proyecto Titi

We also began supporting Proyecto Titi, a conservation organisation working to help protect critically endangered Cotton Top Tamarins and their natural habitats in Colombia. We have been impressed by the success of Proyecto Titi in educating and empowering local communities to protect the natural habitats of these endangered monkeys, and will be supporting them for at least the next three years.



Save the Tasmanian Devil Program

With the arrival of our four Tasmanian Devils we became proud partners with the Save the Tasmanian Devil Program, a Tasmanian government initiative that was established in 2003 in response to the threat of Devil Facial Tumour Disease. These animals are endangered with viral facial tumour disease raging across Tasmania, and conservation breeding has successfully ensured a viable population will be able to be restored to the wild in the future. We have also supported the Program with the purchase of a mobile scale and scanner to be used in the field, enabling them to record the locations of each individual animal.

The Madagascar Fauna and Flora Group

In 2013-14 we signed a new MOU with the Madagascar Fauna and Flora Group, a zoo-based conservation organisation supporting critically endangered Black and White Ruffed Lemurs alongside other threatened wildlife in Madagascar.



Unmask Palm Oil

We signed an MOU with Unmask Palm Oil, the Australasian campaign for mandatory labelling of palm oil, and two of our Keepers hosted an information session on the Wellington Unmask Palm Oil workshop that was held here at the Zoo last year.

TRAFFIC South East Asia

This year we have partnered with DOC International Relations on a joint contribution of AUD\$5,000 to TRAFFIC in South East Asia, a conservation project working to stem the illegal animal trade.

Continuing Partnerships

This year the Zoo Aquarium Association Australasia (ZAA) signed a ten-year MOU with the Department of Conservation (DOC) regarding our relationship across all sectors of our work — including species management, advocacy, partnerships, veterinary research and field conservation. This partnership agreement demonstrates the importance of our work with DOC for native species conservation.

Wellington Zoo Veterinary Science Manager Dr Lisa Argilla travelled to Whenua Hou Codfish Island to assist Kākāpō Recovery as an expert Avian Veterinarian during this year's breeding season, providing veterinary care and advice on the care of chicks and the adult population of Kākāpō on the island.

Dr Argilla is also the project veterinarian for the Chatham Island Albatross Translocation, and has been asked to contribute veterinary input in designing the Yellow-eyed Penguin Trust's seabird rehabilitation facility in Dunedin.



We have continued our partnership with Forest and Bird's Places for Penguins, with regular monitoring of nest boxes along the Wellington coastline, and donated some of our materials to enable the construction of 73 nest boxes for placement on Matiu/Somes Island. Learning Manager Lynn Allan and Visitor Ranger Anneke Mace made the trip to the island in February to help place the nest boxes to house the island's 200 breeding pairs of Little Blue Penguins (Kororā).

Wellington Zoo Life Sciences Manager Paul Horton and Visitor Experience Manager Oli du Bern cycled their way to raising \$1,200 for Free the Bears through the Wellington Zoo Conservation Fund – they biked 700km around the top half of the South Island in just four days as part of the 2014 Kiwi Brevet.



Wellington Zoo staff support for conservation

Thanks to the Wellington Zoo Conservation Fund and our conservation leave initiative, our people were able to carry out a large measure of field conservation work – supporting conservation both inside and outside New Zealand.



Four staff members participated in conservation projects through the support of the Wellington Zoo Conservation Fund in the latter part of 2013. Executive Assistant Libby Callander went to work with our partners at Free the Bears in Cambodia, where she helped assist with strategic planning. Bird Keeper Ryan Cartledge spent 10 days in the South Island assisting the Kea Conservation Trust, and Primate Keeper Jacqui Hooper travelled to Chimp Eden in South Africa, helping to care for their Chimpanzees and fostering a strong relationship between our two organisations. Database and Administration Advisor Rachel Boaden travelled to Stewart Island to volunteer with the Stewart Island/Rakiura Community & Environment Trust (SIRCET) – a non-profit organisation that works to control threats to the bush and bird life around the township in Halfmoon Bay.

Three more staff members made use of their conservation leave; with Visitor Experience Manager Oli du Bern helping out at Free the Bears with important interpretation planning and development; Keeper Joakim Liman working on Te Motu Kairangi, a restoration project in Miramar; and Print and Production Assistant Matt Mitchell designing and conducting a freshwater fish survey at Bream Head in Northland, following on from field work he did in the same reserve last year – where he helped to confirm the discovery of a brand new skink species by capturing a specimen for DNA sampling. This exciting discovery made national news.



Bush Builders

In addition to the learning opportunities in the Living Room, our Bush Builders programme continued to gain momentum in connecting local school children with nature. Our fixed-term Bush Builders Educator role was made permanent to enable us to build on the strong relationships we have with local schools and to ensure the programme does not lose momentum.

In 2013 we helped six urban schools and over 420 students to improve their environmental literacy. We used our Green Zoo, Green You exhibit to launch the 2013 programmes, allowing us to highlight the positive conservation actions Wellington Zoo takes to support student learning. Each school involved completed an 'action phase' in Term 3, which included planting native trees, constructing weta hotels and butterfly gardens, and building bird feeders – all to increase the native flora and fauna in their schools and surroundings.



The evaluation completion rate rose from 2012, and all participating schools in 2013 showed an overall increase in the awareness of the flora and fauna around them. Four of these schools recorded an average increase of over 600% in nature awareness – a fantastic result that proves the enormous value of Bush Builders as a resource for bringing conservation into the school community. Feedback received from teachers and parents has been overwhelmingly positive, and four schools have joined the Bush Builders programme for the 2014 calendar year.

Veterinary Excellence

This year the Veterinary Team at The Nest Te Kōhanga continued to uphold their outstanding reputation for excellence in animal care and native species conservation. The team welcomed back three residents from the Massey University Masterate Programme in Zoo Animal and Wildlife Health, a partnership between Wellington Zoo and Massey University to build specialist veterinary expertise for New Zealand

Manasa, our youngest male Red Panda, sustained severe injuries to his right hind leg in late February, a fractured fibula and dislocated ankle. Our Veterinary Team transported him to Massey University Veterinary Hospital in Palmerston North, where specialist orthopaedic surgeon Richard Kuipers von Lande performed a complex five-hour surgery to repair the leg and placed an external skeletal fixator to help stabilise the joint in Manasa's ankle. The surgery was a great success, and during a follow-up visit to Massey, Richard was able to remove the fixator. Manasa has progressed very well in the following weeks, undertaking regular physiotherapy and consequently weight bearing reliably on the injured leg. This procedure proves the immense value of the partnership Wellington Zoo has with Massey University in providing our animals with the very best veterinary care.



Yindi, our Dingo female, was also taken to Massey University to be examined for observed tremors in her hind limbs by orthopaedic surgeon Andrew Worth, who specialises in canine injuries. Our Veterinary Team worked with Massey University specialist Dr Angus Fechney again this year, for root canal work on one of our Malayan Sun Bears. We also used their radiography services for ultrasounds and x-rays on Rokan, our male Sumatran Tiger.

We have continued to cement our relationship with Pacific Radiology, and in January Flavia, one of our Black-and-White Ruffed Lemurs, was transported to their experts for a CT scan to monitor a nasal cavity mass. Cara the Chimpanzee also had a CT scan in April to monitor an infection in her left ear, and a female Spider Monkey with an enlarged abdomen followed suit in May. Vicky Walsh, a specialist anaesthetist from Massey University, assisted with these procedures.

Native Treatments in The Nest Te Kōhanga

With a budding reputation for excellence in care of New Zealand native species, The Nest Te Kōhanga welcomes many native patients each year – and 2013-14 was no exception. Nearly 500 native patients were treated at The Nest Te Kōhanga this year. They were brought in from the SPCA, the Department of Conservation, ZEALANDIA and local members of the community, showing the growing recognition of The Nest Te Kōhanga as a prominent centre for native wildlife care.



In 2013-14 we worked with the Department of Conservation (DOC) in an ongoing recovery programme for Grand and

Otago Skinks, New Zealand's two rarest reptiles. Our Veterinary Team welcomed 27 Eastern Otago Skinks in October. These rare lizards were housed at the Zoo for a health check and quarantine period, after which they were released at the Orokonui Ecosanctuary – providing a predator-free environment for the skinks to breed. We then took in a population of their western cousins, removed from their habitat near Wanaka to receive health checks before moving on to wildlife breeding organisations throughout New Zealand. Some of these endangered reptiles remained in our care, and we now house eight pairs of Grand and Otago Skinks at Wellington Zoo – with a goal to increase their numbers by breeding, and releasing their offspring into protected sites.

This partnership with DOC demonstrates our passion for connecting our community with nature, and is a fantastic example of conservation agencies working together to ensure the ongoing survival of an endangered New Zealand species.

We treated a number of patients from ZEALANDIA this year, and were able to release the majority back into the sanctuary after successful treatment. These included an underweight Little Spotted Kiwi chick found foraging during the day, an injured Kākā and a Red-Crowned Kākāriki, and a Tuatara that was found outside the perimeter fence and was admitted to The Nest Te Kōhanga for medical treatment. This runaway reptile had to undergo a tail amputation in the hands of our Veterinary Team due to severe injuries sustained, and is continuing to recover well. Our Veterinarian also travelled to the sanctuary to perform health checks on four Kākā chicks as a result of lead poisoning.

Four Brown Teal (Pāteke) also spent received treatment in The Nest Te Kōhanga for lead toxicity. These endemic birds are classified as endangered, with less than 2,500 left in the wild.

In August our Veterinary Team treated nine juvenile Motuara Island Rowi for dermatitis, and were devastated when the chicks died in September due to a respiratory tract infection, resulting from the bark on which they were housed. Wellington Zoo has since worked closely with the Department of Conservation to share the learning from this tragedy with other Kiwi care providers.

We also cared for two Haast-Tokoeka Kiwi chicks in early 2014, due to the deaths of seven out of 10 birds on the crèche island where they were located. Both birds made excellent progress during their time at Wellington Zoo and we were thrilled to return them to the Department of Conservation for release in March. The Haast-Tokoeka Kiwi is the second most endangered Kiwi species and classified as “nationally critical”, with approximately 400 remaining in the wild – so caring for these precious birds was a very special opportunity.





Veterinary Research

A Veterinary Research Policy has been developed to guide our Veterinary research collaborations, projects and goals, ensuring they contribute to keeping conservation at the heart of everything we do.

This year our Veterinary team began contributing to a Massey University research project aiming to understand beak and feather disease in parrots, and the risks this might pose to our New Zealand parrots. This disease has been found in parrot populations around the world, and causes a weakening of the immune system that can be devastating for the species affected. With many of our native parrot species endangered, understanding how the disease is spread could be critical for protecting them in the future.

3. Achieve financial sustainability

Significant investment is needed to run a 21st century zoo, keeping the needs of our visitors and community forefront whilst ensuring that we uphold the highest level of animal care. Since becoming a charitable trust in 2003 we have had to increase our share in our operational costs. This year we generated direct revenue to cover approximately 56% of these costs, and were thankful for the generous support of Wellington City Council along with our sponsors, supporters, and revenue from visitation.



We are proud to achieve another clean audit this year and have met or exceeded 16 out of 21 of our key performance measures.

We ran a special venue hire promotion from March to June, resulting in 42 full days of venue hire in this period. A significant number of new first-time customers took up this special offer, allowing a brand new audience to fall in love with the Zoo. The Archibald Centre, Living Room and The Nest Te Kōhanga Boardroom all exceeded their revenue targets, supported by this promotion. We also saw a significant rise in Children’s Birthday Party bookings this

year, with a multitude of youngsters enjoying the magic of the Zoo on their special day.

Revenue from Close Encounters is also ahead of budget, supported by the increasingly popular Red Panda, Meerkat, Cheetah, Lion and Giraffe experiences.

We continued our focus on sourcing sustainable products for the Zoo shop as part of our revised retail strategy. The shop is stocked with new products – from Fair Trade items sourced from Colombia, a ‘Neighbours’ themed display of Australian species items, and our new Green Zoo, Green You range of environmentally-friendly gifts.



The table below shows our key earnings for this financial year.

Visitor admissions	\$2,442,776
Fundraising for capital projects	\$107,241
Zoo shop retail sales	\$307,612
Operational sponsorship and grants	\$188,454

In addition to these returns we exceeded our visitation goal again this year, seeing 227,434 visitors through our doors – ahead of our target of 216,890.

Strong commercial partnerships

In 2013-14 we were touched by the phenomenal level of support from our sponsors and partners. We formed a new relationship with The Warehouse, who presented us with a cheque for just over \$25,000 for the Warehouse *Zoofari* programme – a tremendous result that went far in helping us achieve our goal of making zoo-based learning more accessible to our community. We also signed a partnership agreement with NZ Bus, which has been instrumental in transporting the *Zoofari* students to the Zoo.

Principal Funder – Wellington City Council	
Major Partner - ASB	
Brian Whiteacre Trust	Pub Charity
Canon NZ Ltd	Saatchi & Saatchi
Fonterra Brands (Tip Top) Ltd	The Dominion Post
Infinity Foundation Limited	The Holdsworth Charitable Trust
Koala Trust	The Radio Network
Massey University	The Warehouse Group
New Zealand Community Trust	Thomas George Macarthy Trust
New Zealand Lotteries Grants Board	Trade Me
NV Interactive	Wellington Community Trust
NZ Bus	Weta Digital
Pacific Radiology	World Wildlife Fund

The World Wildlife Fund (WWF) helped us purchase materials for Bush Builders, and we received a generous grant from Brian Whiteacre Trust to help fund food and medications in The Nest Te Kōhanga. Tip Top continued their support of our community events and provided us with sponsorship for 'Do at the Zoo'.

We were also successful in applying for a 2013 Canon Environmental Grant, and as a result our Bush Builders programme received a high spec CANON 7000S for the educators, several digital cameras for the children's use, and two pairs of binoculars.

We strengthened our relationship with Trade Me, and ran five special auctions throughout the year – including the opportunities to name a baby Pygmy Marmoset and be the first to meet our new Cheetah.



Raising our profile

It has been a great year for bringing new visitors to the Zoo. With the arrival of Tasmanian Devils at the start of the December school holidays, our well-recognised 'The Devils Are Here' ad campaign with Saatchi & Saatchi

received high praise from our visitors and wider community, and was instrumental in encouraging new audiences to get to know their Zoo.

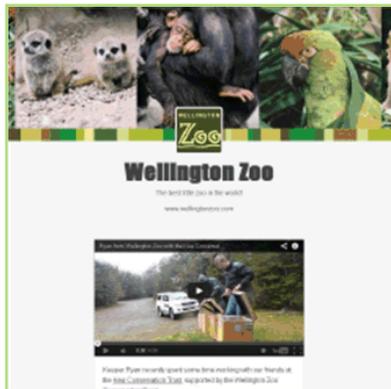
Our media profile continued to grow this year, with nearly 250 news stories placing us in the spotlight. Whether on the silver screen, over the radio or on the written page, our community loved hearing about all the goings-on at their Zoo.

This included great coverage of our new Neighbours precinct, The Warehouse *Zoofari*, our Sustainable 60 Award win and our work with the Department of Conservation in caring for Grand and Otago Skinks; along with the arrivals of our Tasmanian Devils, Golden Lion Tamarins, new Cheetah brothers, and Senja the Sumatran Tiger.

Several high-profile procedures at The Nest Te Kōhanga attracted media attention throughout the year, particularly our successful tail amputation surgery on an injured Tuatara – footage of which made 3 News 6pm timeslot. We also made headlines in August when an injured Leopard Seal swam ashore in Lyall Bay and our Veterinary Team rushed to its aid.



The Wellingtonian, the Hutt News and a local Newlands paper all helped raise awareness for the Bush Builders programme, and both the Dominion Post and the Wellingtonian profiled our new Conservation Manager, Daniela Biaggio.



We saw excellent growth in our online databases, bolstering our digital promotion channels and enabling us to share Zoo news even more widely within our community. Visitors continued to make the most of the Zoo's online resources, increasingly using mobile devices to do so – website visits from tablets grew by almost 50%, and 77% on mobile phones. Our newsletter database grew to 15,970, up almost 30%. Our Facebook fanbase grew from 17,086 to 24,241 – approximately 7,150 more than the previous year – while our Twitter followers increased from 5,000 to over 6,140. Our Marketing and Communications team established the Wellington Zoo Tumblr account,

allowing our staff to share their stories and blog about their adventures on Conservation Leave.

4. Build lasting community support and participation



As a charitable trust, the support and participation of our community is vital to Wellington Zoo. This year our Zoo Crew membership base continued to grow – with 2,529 new members joining our ranks. To thank our Zoo Crew for their loyalty, we invited them to bring a friend for free in the last two weeks of March. This offer saw 328 new visitors through our doors and encouraged new long-term memberships. We also embraced new relationships with Wellington's two universities, Victoria and Massey, and were successful in reaching tertiary students – a relatively untapped audience. With free passes for first year students in orientation packs, we also offered a special student discount on Zoo Crew memberships, of which 144 students took advantage.

In 2013-14 Wellington Zoo became a lead partner in the new Wellington Regional Amenities Fund (WRAF) project Nature Connections, alongside ZEALANDIA and other key partners Staglands, Pukaha Mt Bruce, DOC & the Harbour Islands Kaitiaki Board representing Mātū/Somes Island. Nature Connections aims to build stronger links between these partners – sharing stories, ideas and a staff training framework designed to improve face-to-face visitor interactions and connect Wellington's ecological attractions to promote our natural capital.



Project Leader Dr Sarah Rusholme and Project Coordinator Linda Cardiff have worked closely with interpretation specialist John Pastorelli to offer four Nature Connections workshops throughout the year. The project team also collaborated to produce 15 short videos to showcase connecting stories and conservation efforts, inviting visitors to 'Join us to discover Wellington's inspiring nature stories'. These clips will be displayed in visitor areas throughout the Zoo and on partner sites in 2014.



All children should have the chance to connect with nature on a personal level, and the unique learning environment at Wellington Zoo can help them do just that. In September we were proud to announce The Warehouse Zoofari, a three-year partnership with The Warehouse to help the Wellington regions' low decile schools visit the Zoo for conservation-based learning programmes. The Warehouse raised just over \$25,000 through in-store fundraising, a wonderful result that allowed us to invite 16 decile 1-3 schools to participate in the programme. Students from Titahi Bay School

were the first to visit Wellington Zoo for their *Zoofari* session in May, and have since been joined by eight other schools to delight in nature-based hands-on learning at the Zoo.

Our volunteers recognise Wellington Zoo as a valuable place to give back to their community, and we treasure their ongoing dedication and invaluable support. Over the last year 91 volunteers contributed over 8,800 hours of their time to helping out in the Zoo. We have also welcomed the support of our corporate volunteers, with 39 groups getting stuck into a wide range of zoo related tasks.

We love meeting our Zoo neighbours, and we look forward each year to treating them to a night at their Zoo. On 30 January we held our ninth annual Neighbours Night, an evening that makes



Wellington Zoo accessible to all members of our community and connects them with the animals they live near.

Over 1,000 of our Newtown neighbours came along for a free sausage sizzle, ice creams for kids, face-painting, and special animal talks and enrichment activities. The Dominion Post Subscriber weekend and Wellington City Council family days were held at the Zoo in March, and were both well attended by a flurry of local families.

We were delighted to welcome celebrated painter and passionate environmentalist Phill Waddington, 2013 Wellingtonian of the Year – Environment, as Wellington

Zoo's inaugural 2014 Artist in Residence. Since January Phill has begun creating a new body of work influenced by the animals at Wellington Zoo, and is donating his commission to the construction of our Meet the Locals precinct.

5. Show industry leadership



Leading the way

This year Wellington Zoo established an Animal Welfare Committee – a testimony to our dedication to excellence in animal welfare. The Committee, which had its inaugural meeting in April, is chaired by Wellington Zoo Chief Executive Karen Fifield, and consists of Wellington Zoo staff and external experts: Councillor Iona Pannett, Environment Committee Chair; Iain Torrance, Wellington SPCA Chief Executive; and Massey University Professor David Mellor. The Committee's role is to ensure that the

animals at Wellington Zoo are treated with dignity and respect, that their quality of life needs are met and that Wellington Zoo is positioned as an industry leader, an advocate and an authority on animal welfare best practice.

Wellington Zoo staff hold seven studbook and species coordinator positions, which include the responsibility for studbook maintenance for animals of particular species in the Australasian region. Our Collection Development Manager, Simon Eyre, holds the studbook for Meerkats, Porcupines, Nyala and Auckland Green Geckos. Simon also shares the species coordinator position for Tuatara with Kristin Kennedy; Pygmy Marmosets with Jacqui Hooper; and Cheetah with Amanda Tiffin.

Our people also play important roles within the Zoo and Aquarium Association (ZAA) committees. In addition to her role as Wellington Zoo Chief Executive, Karen Fifield is the President of ZAA Australasia, and sits on the New Zealand committee for the International Union for Conservation of Nature. In 2014 Karen was appointed to Wellington Conservation Board by Minister of Conservation, The Hon Dr Nick Smith. She is also a member of the NZ Animal Behaviour and Welfare Consultative Committee, and the GROW Wellington Board.



Collections Development Manager Simon Eyre is Chair of the ZAA Accreditation and Animal Welfare Committee, and this year became a member of the Department of Conservation's Permitting Processing Review Working Group. Simon is also the convener of the Carnivores and Small Exotic Taxonomic Advisory Group (TAG), a member of the Australasian Species Management Programme Committee), and the ZAANZ liaison for the Ministry of Primary Industries and Environmental Protection Authority. Mauritz Basson, General Manager Animal Care, is the

Ungulate TAG husbandry advisor.

Dr Lisa Argilla is the Principal Veterinary Advisor for the ZAANZ Fauna TAG, and Dr Baukje Lenting is the secondary advisor. Dr Argilla and Dr Lenting are also adjunct lecturers in the Institute of Veterinary,

Animal and Biomedical Sciences at Massey University, and have both been reappointed as committee members for the NZVA Wildlife Society.

The leadership demonstrated by Zoo staff extends beyond animal care, as our expertise in other fields also recognises. Visitor Experience Manager, Oli du Bern, is the secretary of the Interpretation Network New Zealand (INNZ) committee, leading the best practices and professional standards in interpretation. Learning Team Manager, Lynn Allan, sits on the Capital Science Educators Committee.

Oli du Bern was asked to develop a national advocacy document for all holders of Kiwi to ensure advocacy messages are cohesive and complementary across the country. He presented this plan to the Kiwi Recovery Group, and received positive feedback from Kiwi holders nationwide. He followed this up by leading a workshop at the National Kiwi Hui in April.

Sharing our stories

To share and exchange knowledge, our people actively participated in conferences around the world. Taking advantage of these opportunities ensures Wellington Zoo staff are at the forefront of zoo industry developments, with access to share our stories with the wider industry.

In October, Chief Executive Karen Fifield presented a paper on Wellington Zoo's carboNZero certification at the World Association of Zoos and Aquariums Congress in Florida. She also attended the IUCN Conservation Breeding Specialist Group Conference that same month.

General Manager Community Engagement Amy Hughes presented a paper on Nature Connections with Project Manager, Dr Sarah Rusholme, at the ZAA conference in Auckland. Collections Development Manager Simon Eyre ran accreditation workshops, and Visitor Experience Manager Oli du Bern presented on our newly developed Green Zoo, Green You exhibit and Wellington Zoo's sustainability journey. Amy also attended the WAZA International Zoo Marketing Conference in Bristol, where the worldwide WAZA campaign 'Biodiversity is Us' was launched.

Veterinary Science Manager Dr Lisa Argilla co-convened the organisation of the scientific programme for the NZ Veterinary Association Wildlife Society Annual Conference, held in November. Dr Argilla also wrote a guest blog for The Museum of New Zealand Te Papa Tongarewa about our work in caring for 650 storm-wrecked Broad-Billed Prions at The Nest Te Kōhanga in 2011.

Learning Manager Lynn Allan presented on involving community in conservation at the 2014 New Zealand Association for Environmental Education Conference in Christchurch, using her work with the Golden Lion Tamarin Association in Brazil as an example.

In June of 2014 Wellington Zoo hosted New Zealand's first SHAPE of Enrichment workshop, with attendees from around the country. Over four days attendees learnt more about the theory of enrichment and got hands-on developing enrichment items for our animals. This workshop was an excellent opportunity for our people to share their knowledge within the Zoo and with other organisations in the industry.

6. Ensure motivated and valued staff

Building the capability and performance of our people

Our people have the technical and professional skills, knowledge and attitudes to be high performers, enhance productivity, and deliver professional and timely services to our visitors and stakeholders.

To encourage a culture of continuous learning, we provided our staff with informal learning sessions throughout the year. These ranged from informative sessions on the Nature Connections project,



Unmask Palm Oil and our carboNZero certification; to staff sharing their knowledge and experiences from field work and conservation leave. An interactive session delivered by the Learning Manager provided an excellent overview of the LEOTC programme, and one of our keepers delved into the ins and outs of designing and outfitting a species-specific exhibit. Our Collection Development Manager covered the different methods used for sustainable population management for our animal collection, along with an introduction to the Five Domains welfare model

External facilitators also visited the Zoo and provided sessions to build on their existing knowledge. We hosted John Pastorelli, an expert in visitor experience and the developer of the POWER model for visitor engagement. He delivered two Building on Power Workshops aimed at enriching both formal and informal presentation skills. Doctor Carolyn Hogg, the ZAA Science and Policy Manager and Tasmanian Devil Species Coordinator shared her fascinating knowledge and expertise on Tasmanian Devils, and Nic Bishop from Australia held a number of animal behaviour and conditioning workshops, which focussed on different techniques for animal training. In addition a member of the Wellington Improvisation Troupe delivered a learning session on improvisation, providing our Keepers and Visitor Rangers with valuable skills in spontaneity and flexibility.

A consultant from the Employer Chamber of Commerce delivered a session focused on the different types of hazards found in our workplace, and a facilitator from Deaf Aotearoa delivered an introductory NZ sign language learning session during New Zealand sign Language Week. Synergy Health provided an overview of the resources, events, competitions and other features provided through our new wellness initiative, Tracksuit Inc.

Our people have also had external training opportunities to build capability and performance. Four members of the Community Engagement team attended the Interpretation Network of New Zealand national workshop in Auckland. Visitor Experience Manager Oli du Bern attended a cultural workshop for heritage interpretation professionals at Te Hongoeka Marae in Plimmerton. Along with Zoo Educator Thom Adams, Oli also attended a learning and audience engagement hui at The Museum of New Zealand Te Papa Tongarewa, and, with Conservation Manager Daniela Biaggio, took part in a two-day Auckland Conservation Psychology workshop. General Manager People & Culture Jo Ring attended the 2014 ATC Strategic Workforce Planning Conference.

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General Manager Community Engagement Amy Hughes attended an advanced Community Based Social Marketing workshop with a focus on environmental behaviour change, hosted by the Department of Conservation. Learning Manager Lynn Allan took part in the Hutt EnviroSchools hui, a great opportunity to network with environmentally minded schools and a fertile recruitment ground for our Bush Builders programme.

Growing our people engagement

We held our second Gold Agoutis Annual Awards Night here at the Zoo in August, an event which recognises excellence and long service across the organisation. We rewarded people for a range of categories aligned with our six strategic elements, along with the CE's choice for Individual Excellence and Team Excellence. The evening was, once again, a fantastic opportunity to bring staff together to recognise and celebrate significant milestones, individual and organisational achievements, and foster a positive organisational culture.



The Great HoB Enrichment Challenge of 2013 was a staff-organised event that brought teams together from across the Zoo and challenged them to work together creatively in making enrichment items for our troop of Chimpanzees. Many laughs were had, and the playful primates delighted in exploring their treat-filled rumpus room.



Our annual Zoolympics event took place in March and was another action-packed occasion full of fun, laughter and quirky challenges that enhanced morale and team-building.

We used the expertise of Sean Phillips, a Stanford MBA intern, to develop a Human Resource Metrics Dashboard – an invaluable tool for calculating and reporting on employee demographics, readily identifying trends and providing more comprehensive information to inform decision making.

We also ratified a new collective agreement with the Central Amalgamated Workers Union, which runs from 1 December 2013 to 1 December 2016.

Strengthening leadership and management capabilities

General Manager People & Culture Jo Ring worked with TetraMap International and finalised a case study which showcases how TetraMap continues to be an invaluable resource for strengthening our leadership and management capabilities.



General Manager Community Engagement Amy Hughes was accepted into the 2014 Sustainable Business Council Future Leaders' Programme, and Learning Manager Lynn Allan participated in a LEAD – a ten-month KiwiBank leadership development programme that aims to strengthen the important skills our managers need to be inspiring and effective leaders.

Health and Wellbeing

We care about the health and wellbeing of our people, and this year we launched a new wellness programme, Tracksuit-inc®. This programme gives staff opportunity to participate in a range of health related activities throughout the year.

All staff continue to have access to the Employee Assistance Programme Services for personal and professional assistance; and were once again given the opportunity for free flu vaccinations in autumn. We are still partnered with SpecSavers to provide all staff with discounts on optician services.

MoleMap clinics were also offered to staff on site at a discounted rate. MoleMap is an advanced melanoma skin cancer detection programme designed to protect the deadly effects of melanoma skin cancer by diagnosing it at the earliest possible stage. The service will now be offered on an annual basis with all our wellness initiatives.

Trustees



Francie Russell, Ross Martin, Linda Meade, Simon Marsh. Absent: Alan Dixson

Ross Martin (Chair)

Ross is a Chartered Accountant and successful businessman. He joined the Wellington Zoo Trust after a successful career in Public Transport in the Asia Pacific Region. He is a strong supporter of the Zoo's Visitor Engagement, Learning and Conservation strategies and is a passionate Wellingtonian. His vision for the Zoo is to build a financially resilient and beautifully presented community facility that is loved by all Wellingtonians and visitors to Wellington. Amongst other roles, Ross is also Chair of the Wellington Free Ambulance.

Francie Russell (Deputy Chair)

Francie is an inaugural Zoo trustee and is involved with the philanthropic and business sectors in Wellington. Ensuring a unique experience is key to the success of the facility, and this is the prime focus of her involvement. Other board appointments include NZ Art Show, Wellington Netball Centre, Tana Umaga Foundation and Maranui Surf Life Saving Club. Francie is also a Justice of the Peace.

Simon Marsh

"Swampy" Marsh is a Wellington City Councillor and lives with his family in his eastern ward suburb of Seatoun. Swampy remains connected with Wellington's business community through his successful radio advertising business. Since becoming a Trustee he has become a proud disciple of Wellington Zoo.

Linda Meade

Linda provides commercial and other specialist financial advice to a range of businesses and organisations spanning the public and private sectors. Over the last 25 years she has worked in London and Switzerland as well as New Zealand. Linda is a Partner in the Deloitte Financial Advisory Services team in Wellington. Linda is also the Director and co-owner of Daisies Early Education & Care Centre, a high quality early childhood education centre based in Johnsonville, Wellington.

Alan Dixson

Alan was educated in England at the University of Nottingham where he obtained a BSc in Zoology and at the University of Birmingham Medical School, where he was awarded a PhD and a DSc in Biological Sciences. His research has involved comparative studies of reproductive biology and the evolution of sexuality in primates. He has held posts at the Zoological Society of London (1976-1983), Medical Research Council UK (1983-1999), International Medical Research Centre in Gabon (1989-1992) and was Director of Conservation and Science at the Zoological Society of San Diego in the USA (1999-2005). He is currently a Professor in the School of Biological Sciences at Victoria University of Wellington, and has published more than 140 papers and books, including "The Natural History of the Gorilla"(1981), "Sexual Selection and the Origins of Human Mating Systems"(2009), and "Primate Sexuality: Comparative Studies of the Prosimians, Monkeys, Apes, and Humans" (second edition 2012).

Strategic Management Team



Back: Karen Fifield, Daniel Warsaw, Amy Hughes, Susan Macdonald.
Front: Jo Ring, Percy, Mauritz Basson. Absent: Ross Provan

- Karen Fifield, Chief Executive
- Mauritz Basson, General Manager Animal Care
- Daniel Warsaw, General Manager Business & Partnerships
- Amy Hughes, General Manager Community Engagement
- Susan Macdonald, Chief Financial Officer
- Ross Provan, Manager Capital Development
- Jo Ring, Manager People & Culture

Appendix: Financial Statements

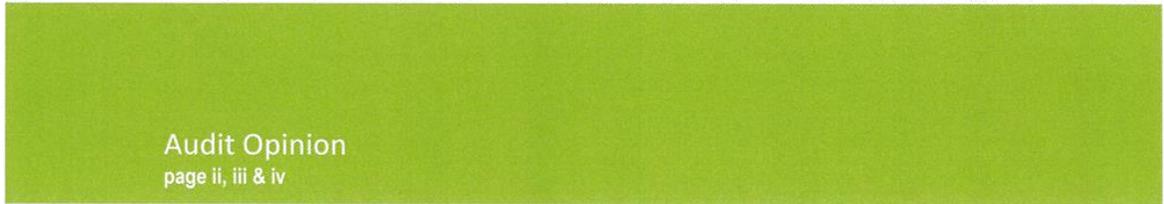
WELLINGTON ZOO TRUST

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2014

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AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

**To the readers of
Wellington Zoo Trust's
financial statements and statement of service performance
for the year ended 30 June 2014**

The Auditor-General is the auditor of Wellington Zoo Trust (the Trust). The Auditor-General has appointed me, Debbie Perera, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Trust on her behalf.

We have audited:

- the financial statements of the Trust on pages 6 to 30, that comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Trust on pages 31 to 32.

Opinion

In our opinion:

- the financial statements of the Trust on pages 6 to 30:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Trust's:
 - financial position as at 30 June 2014; and
 - financial performance and cash flows for the year ended on that date; and
- the statement of service performance of the Trust on pages 31 to 32:
- complies with generally accepted accounting practice in New Zealand; and
- fairly reflects the Trust's service performance achievements measured against the performance targets adopted for the year ended 30 June 2014.

Our audit was completed on 8 August 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making these risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. Also we did not evaluate the security and controls over the electronic publication of the financial statements and statement of service performance.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Trustees

The Trustees is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Trust's financial position, financial performance and cash flows; and

- fairly reflect its service performance achievements.

The Trustees is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error. The Trustees is also responsible for the publication of the financial statements and statement of service performance, whether in printed or electronic form.

The Trustees' responsibilities arise from the Local Government Act 2002.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Trust.



Debbie Perera
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand

Statement of Compliance and Responsibility

For the year ended 30 June 2014

Compliance

The Board and management of the Wellington Zoo Trust confirm that all the statutory requirements of the Local Government Act 2002 regarding financial and operational management have been complied with.

Responsibility

The Board and management of the Wellington Zoo Trust accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

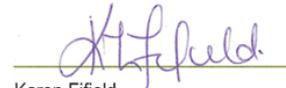
They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting and performance information of the Wellington Zoo Trust.

In the opinion of the Board and management, the annual Financial Statements for the year ended 30 June 2014 fairly reflect the financial position, results of operations and service performance achievements of the Wellington Zoo Trust.



Ross Martin
Chairperson and Chairperson Finance, Audit and
Risk Committee

8 August 2014



Karen Fifield
Chief Executive

8 August 2014



Statement of Comprehensive Income

For the year ended 30 June 2014

	Note	Actual 2014 \$000	Actual 2013 \$000
INCOME			
Grants and Operating Income	1	5,817	5,928
Finance Income	4	84	80
Operating Income		<u>5,901</u>	<u>6,008</u>
Capital Grants and Donations	1	107	406
TOTAL INCOME		<u>6,008</u>	<u>6,414</u>
EXPENDITURE			
Operating Expenditure	2	5,674	5,839
Depreciation	6	21	20
Operating Expenditure		<u>5,695</u>	<u>5,859</u>
Vesting of Capital Grants and Donations	3	241	461
TOTAL EXPENDITURE		<u>5,936</u>	<u>6,320</u>
NET SURPLUS/(DEFICIT) before taxation	5	<u>72</u>	<u>94</u>
Income Tax Expense	11	-	-
NET SURPLUS/(DEFICIT) for the year		<u>72</u>	<u>94</u>
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>72</u>	<u>94</u>

The accompanying notes form part of these financial statements.



Statement of Changes in Equity

For the year ended 30 June 2014

	Note	2014 \$000	2013 \$000
Equity Opening Balances			
Accumulated Funds and retained earnings		295	287
Restricted Funds		522	436
Total Equity-Opening Balance		817	723
Changes in Equity			
Retained Earnings			
Transfers from Retained Earnings	14	(312)	(566)
Transfers to Retained Earnings	14	251	480
Restricted Funds			
Transfers from restricted funds	15	(251)	(480)
Transfers to restricted funds	15	312	566
Net Income recognised directly in equity		-	-
Comprehensive Income			
Surplus/(deficit) for the year to retained earnings		72	94
Other comprehensive income		-	-
Total comprehensive income		72	94
Total changes in equity		72	94
Equity Closing Balances			
Accumulated Funds and retained earnings		306	295
Restricted Funds		583	522
Total Equity-Closing Balance		889	817

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 30 June 2014

	Note	2014 \$000	2013 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	7	1,937	1,831
Trade and other receivables	8	461	485
Prepayments	8	10	6
GST Receivable	8	2	63
Inventories	9	48	61
		<u>2,458</u>	<u>2,446</u>
Non-Current Assets			
Property, Plant and Equipment	10	69	90
Work in Progress	10	-	1
		<u>69</u>	<u>91</u>
TOTAL ASSETS		<u>2,527</u>	<u>2,537</u>
LIABILITIES			
Current Liabilities			
Trade, other payables and accruals	12	830	1,110
Income in Advance		201	147
Monies held in trust	12	333	202
Employee Benefits	13	262	249
		<u>1,626</u>	<u>1,708</u>
Non-Current Liabilities			
Employee Benefits	13	12	12
		<u>12</u>	<u>12</u>
TOTAL LIABILITIES		<u>1,638</u>	<u>1,720</u>
NET ASSETS		<u>889</u>	<u>817</u>
EQUITY			
Retained Earnings	14	306	295
Restricted Funds	15	583	522
TOTAL EQUITY		<u>889</u>	<u>817</u>

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 June 2014

	Note	2014 \$000	2013 \$000
Cash flows from operating activities			
Cash was provided from:			
Operating Revenue		6,133	6,630
Interest Received	4	84	80
Net GST Received		61	5
Cash was applied to:			
Payments to Suppliers and employees		(6,174)	(6,213)
Net GST Paid		-	-
Net cash inflow from operating activities	16	<u>104</u>	<u>502</u>
Cash flows from investing activities			
Cash was applied to:			
Receipts from sale of property, plant and equipment		2	-
Purchase of property, plant and equipment		-	(13)
Net cash (outflow) from investing activities		<u>2</u>	<u>(13)</u>
Net Increase/(Decrease) in Cash and cash equivalents held		106	489
Cash and cash equivalents at beginning of year		1,831	1,342
Cash and cash equivalents at end of year	7	<u>1,937</u>	<u>1,831</u>
<i>Made up of:</i>			
Cash and bank balances		180	167
Current Investments		1,757	1,664
Closing Cash Balance		<u>1,937</u>	<u>1,831</u>

The accompanying notes form part of these financial statements.

Statement of Accounting Policies

For the year ended 30 June 2014

Reporting Entity

The Wellington Zoo Trust (the Trust) is a charitable trust registered under the Charitable Trusts Act 1957 domiciled in New Zealand and is also a council-controlled organisation as defined under Section 6, Part 1 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees. The Trust was established on 1 July 2003 by the Wellington City Council.

The financial statements have been prepared in accordance with the requirements of the Charitable Trusts Act 1957 and section 69 of the Local Government Act 2002.

The Trust is reliant on the Wellington City Council (the Council) for the majority of its income and operates under a Contract for Services with the Council. The Contract for Services was negotiated for a period of 3 years to 30 June 2012. This contract has been re-extended for a further year to 30 June 2015. Ongoing funding for the Trust has been approved in the 2012/2022 Long Term Plan.

The primary objective of the Trust is to manage, administer, plan, develop, maintain, operate and promote the Wellington Zoo for the benefits of the inhabitants of Wellington and as an attraction to visitors to Wellington, not to make a financial return. Accordingly, the Trust has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZIFRS).

The reporting period for these financial statements is for the year ended 30 June 2014. The financial statements were authorised for issue by the Board of Trustees on 8 August 2014.

Statement of Compliance with International Financial Reporting Standard

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to IFRS (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement Base

The measurement base applied is historical cost. The accrual basis of accounting has been used.

Functional and Presentation Currency

These financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless otherwise stated.



Significant Accounting Policies

Critical Accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Grants

Grants received from the Wellington City Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the trust deed. The Trust also receives other assistance for specific purposes, and these grants usually contain restrictions on their use.

Grants are recognised as income when they become receivable unless there is an obligation to return the funds if the conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as income when the conditions of the grant are satisfied.

Sales

Products held for sale are recognised when a product is sold to the customer.

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income. Such income is recognised when control over the asset is obtained.

Interest

Interest income is recognised using the effective interest rate method.

Volunteer Services Recognition

The Trust benefits from the service of dedicated volunteers in the delivery of its activities. Due to the difficulty in determining the value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

Taxation

The Trust is registered as a Charitable Trust and is exempt from income tax under the Income Tax Act 2004. The Trust is not exempt from indirect tax legislation such as Goods and Services Tax and accordingly is required to comply with these regulations.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.



Debtors and other receivables

Debtor and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Inventory

Inventories are recorded at the lower of cost (determined on a first-in first-out basis) or net realisable value. This valuation includes allowances for slow moving and obsolete stock. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Property, Plant and Equipment

Recognition

Property, plant and equipment consists primarily of operational assets. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset. Costs that do not meet criteria for capitalisation are expensed.

The Trust also manages the construction and development of buildings, structures and enclosures on behalf of the Council. These assets are not recorded in the Trust's financial statements as ownership vests in the Council.

Measurement

Property, plant and equipment are valued at historical cost less accumulated depreciation and impairment losses.

The initial cost of property, plant and equipment includes the purchase consideration, and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use.

Disposal

Realised gains and losses arising from the disposal of property, plant and equipment are recognised in the Statement of Comprehensive Income in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all assets owned by the Trust excluding assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the assets are as follows:

Plant

Audio Visual Equipment	3 years
Projector	5 years
Shade Sail	10 years
Hospital Equipment	10 years
Garden Furniture	10 years
Living Room Furniture	15 years
Endoscope	8 years

Furniture and Equipment

Composter	10 years
CCTV	3 years
Incubators	12.5 years

Work in Progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

Employee Benefits

A provision for employee benefits (holiday leave, long service leave, and retirement gratuities) is recognised as a liability when benefits are earned but not paid. The Trust recognises a liability and an expense for a one off payment where contractually obliged or where there is a past practice that has created a constructive obligation.

Holiday Leave

Holiday leave (annual leave, long service leave qualified for and time off in lieu) is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) & 16(4) of the Holidays Act 2003.

Long Service Leave and Retirement Gratuities

Long service leave (not yet qualified for) and retirement gratuities have been calculated on an actuarial basis based on the likely future entitlements accruing to staff, after taking into account years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and other contractual entitlements information. The present value of the estimated future cash flows has been calculated using an inflation factor and a discount rate. The inflation rate used is the annual Consumer Price Index to 31 March prior to year end.

Other Contractual Entitlements

Other contractual entitlements include termination benefits. Termination benefits are recognised in the Statement of Financial Performance only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

Provisions

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Other Liabilities and Provisions

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Contingent Assets and Liabilities

Contingent liabilities and contingent assets are disclosed in the notes to the financial statements. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

Animal Acquisitions

Animal acquisitions are expensed at cost.

Equity

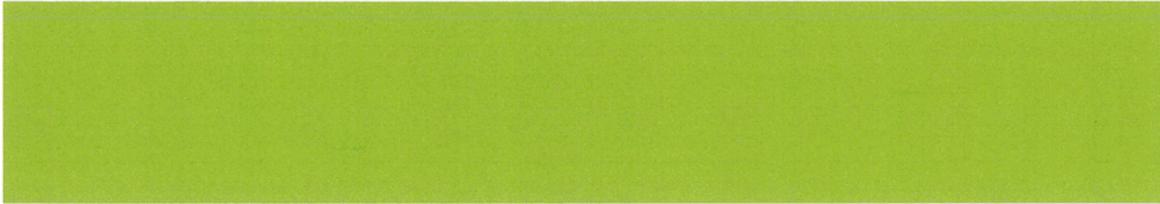
Equity is the residual interest in the Trust and is measured as the **difference between total assets and total liabilities. The components of equity are retained earnings** and restricted funds (special funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use whether under statute or accepted as binding by the Trust because of the specific reason for which the funds were provided.

Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

Statement of Cash Flows

The statement of cash flows is prepared using the direct approach. Operating activities include cash received from all income sources of the Trust and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to transactions that change the equity and debt capital structure of the Trust.



Related Parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include Wellington City Council, Group, key management personnel and the governing body (Trust Board).

Trustees' remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to a trustee during the reporting period. The disclosures for the Trust include the remuneration of the Trustee board as they occupy the position of a member of the governing body of the Trust.

Changes in Accounting Policies

There have been no changes in accounting policies. Uniform accounting policies have been applied on a consistent basis during the year.

Standards, amendments, and interpretations issued but not effective that have not been early adopted which are relevant to the Trust include:

The NZ IFRS PBE suite of accounting standards currently applicable for Public Benefit Entities is interim, pending the introduction of a new set of New Zealand Public Sector Accounting Standards (PBE standards). The transition date to the PBE standards is 1 July 2014.

Under this framework, the Trust will be eligible to apply the reduced disclosure regime (Tier 2 entity) of the Public Benefit Entity Accounting Standards. The Trust has not assessed the implications of the new accounting standards at this time.

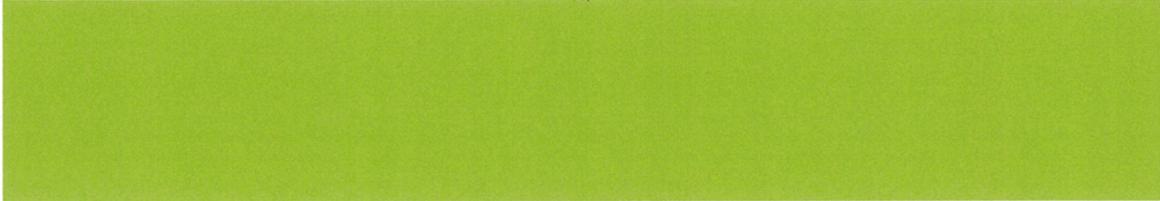
No disclosures have been made in regard to new or amended NZ IFRS that are only applicable to 'for profit' entities.

Notes to the Financial Statements

Note 1: Income

	2014	2013
	\$000	\$000
Admissions	2,443	2,493
Sale of Goods	307	322
Other Corporate income	81	102
Contractual Income		
Ministry of Education	82	82
Wellington City Council Operating Grant	2,715	2,799
Total Operating Income	5,628	5,798
Grants and Donations		
Operating Grants and Donations		
Koala Trust	7	9
Classic Hits	8	10
Fonterra Brands	25	25
Brian Whiteacre Trust	3	10
Dominion Post	9	10
Department of Conservation	10	-
ASB	12	-
TG McCarthy	-	10
General Donations	23	-
Holdsworth Trust	40	-
Trade Me	30	30
Mazda Foundation	-	4
Weta	20	-
Worldwide Fund for Nature	2	2
Wellington Community Trust	-	12
New Zealand Community Trust	-	5
Corporate Memberships	-	3
Operating Grants and Donations	189	130
Total Operating Income , Grants and Donations	5,817	5,928
Capital Grants and Donations		
General Donations	57	59
Pub Charity	-	300
Wellington Community Trust	50	-
Southern Trust	-	(3)
The Trusts Charitable Foundation (Inc)	-	-
Infinity Foundation	-	50
Total Capital Grants and Donations	107	406
Total Grants and Operating Income	5,924	6,334





Grants and Donations includes grants and bequests received for capital and operational purposes of \$221,586. These grants were received for specific purposes. This income is transferred from Retained Earnings to Restricted Funds until it is needed, refer to Note 15.

Note 2: Expenditure on operating activities

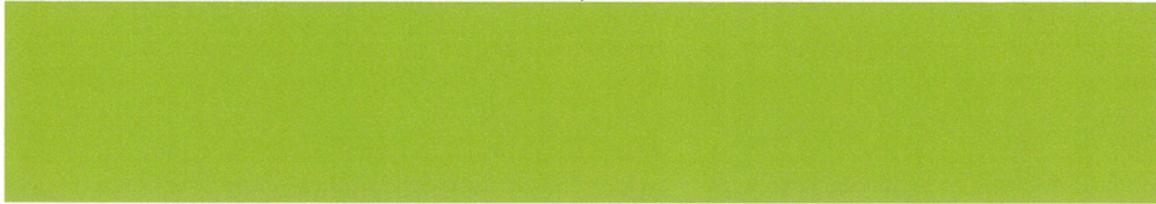
	Note	2014 \$000	2013 \$000
Advertising		238	257
Auditor's remuneration:			
- Audit Services		21	20
Authorised entertainment		6	33
Consumables		323	374
Cost of goods sold		135	143
Direct costs		557	529
Insurance premiums		8	8
Materials and Services		278	299
Personnel costs		3,761	3,837
Trustee's remuneration	21	81	88
Utilities		266	251
Total Operating Expenditure		5,674	5,839

1. Personnel costs include costs such as salaries, wages, leave and other employee earned compensation.
2. Direct costs include expenditure not separately disclosed, such as:
 - professional costs
 - travel
 - administration costs
 - animal collection maintenance
 - vehicle fleet costs
 - contracts

Note 3: Vesting of Capital Grants and Donations

Wellington City Council has approved a capital expenditure budget of \$15.661 million towards the Zoo Capital Plan to be spent over the 10 year period, starting in 2006/07. This funding is contingent on the Trust generating external sponsorship funding of \$5.221 million over the duration of the Zoo Capital Plan.

This entry relates to the transfer of these funds to Wellington City Council. In line with the contract for services, this amount is paid on receipt of external sponsorship funding and donations as the Zoo



contribution towards the capital plan. The Zoo has vested \$241K (2013: \$461K) in line with our capital spend for this year on behalf of Wellington City Council. Refer to Note 18 for more detail.

Note 4: Finance Income

	Note	2014 \$000	2013 \$000
Finance Income			
Interest on Term Deposits		84	80
Total Finance Income		84	80

Note 5: Net Surplus Reconciliation showing adjustments for movements to and from Restricted Funds

		2014 \$000	2013 \$000
Net surplus/deficit from operations for the year	14	72	94
Income received for animal acquisition purposes from Operating Grants/Donations	15	(115)	(76)
Income received for animal acquisition purposes from Other Operating Income	15	(90)	(61)
Income received for capital/operational purposes	15	(107)	(429)
Income received for capital/operational purposes utilised in year	15	10	18
Income vested to Wellington City Council in year	15	241	462
Normalised Operating Surplus/(Deficit) for the year before taxation		11	8

Due to the timing differences between the receipt of capital grants and the vesting of the resultant assets in Council, there will be fluctuations in the reported results. This note shows, for comparative purposes only, the results without the impact of these transactions.

Note 6: Depreciation

		2014 \$000	2013 \$000
Plant		4	4
Furniture and Equipment		17	16
Total Depreciation		21	20



Note 7: Cash and cash equivalents

	2014 \$000	2013 \$000
Bank Balances	176	163
Cash on hand	4	4
Short Term deposits	1,757	1,664
Total Cash and cash equivalents	1,937	1,831

Note 8: Trade and other receivables

	Note	2014 \$000	2013 \$000
Trade Receivables		40	27
Trade Receivables due from Wellington City Council	20	421	458
Less provision for impairment of trade receivables		-	-
Net Trade Receivables		461	485
GST Receivable		2	63
Prepayments		10	6
Total Current Trade and other receivables		12	69
Total Trade and other receivables		473	554

Provision for impairment of trade and other receivables

	2014 \$000	2013 \$000
Opening Balance	-	-
Additional or increased provision made	-	-
Release of provision	-	-
Provision for impairment of trade and other receivables-closing balance	-	-

Further information on the collectability of trade and other receivables is contained in Note 17: Financial Instruments.



Note 9: Inventories

	2014 \$000	2013 \$000
Inventory – Zoo Shop	48	61
Total Inventories	<u>48</u>	<u>61</u>

Note 10: Property, Plant and Equipment

	2014 \$000	2013 \$000
Operational Assets		
Plant		
Plant at cost – opening balance	48	48
Accumulated depreciation	<u>(31)</u>	<u>(28)</u>
Total Plant – opening balance	17	20
Additions	-	-
Disposals	-	-
Depreciation Expense	(4)	(3)
Total plant – closing balance	<u>13</u>	<u>17</u>
Furniture and Equipment		
Furniture and Equipment at cost – opening balance	171	159
Accumulated Depreciation	<u>(98)</u>	<u>(81)</u>
Total Furniture and Equipment – opening balance	73	78
Additions	-	12
Disposals	-	-
Depreciation Expense	(17)	(17)
Total Furniture and equipment – closing balance	<u>56</u>	<u>73</u>
Total Operational Assets	<u>69</u>	<u>90</u>
Work in progress		
Work in progress at cost – opening balance	1	-
Additions	-	-
Other	(1)	1
Capitalised to asset classes	-	-
Work in progress at cost – closing balance	<u>-</u>	<u>1</u>



Projects that will be vested to Wellington City Council are permanent structures or fixtures that are built by the Trust on land owned by the Wellington City Council.

Note 11: Taxation

The Trust is registered as a Charitable Trust and is exempt from income tax under the Income Tax Act 2007.

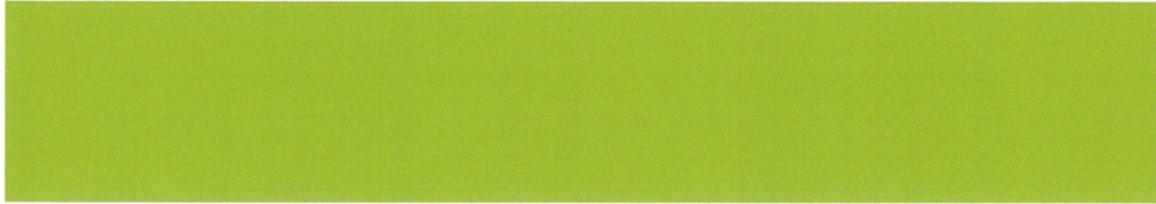
Note 12: Trade, Other Payables, Accruals and Monies held in Trust

	Note	2014 \$000	2013 \$000
Sundry Payables and Accruals		161	168
Trade Payables and Accruals		376	303
Trade Payables due to parent	20	<u>293</u>	<u>639</u>
Total Current Trade, Other Payables and Accruals		830	1,110
Donations held in Trust		179	202
Regional Amenities Fund (administered on behalf of Wellington Regional Amenities Fund)		<u>154</u>	<u>-</u>
Total Monies held in Trust		333	202

Note 13: Employee Benefits

	2014 \$000	2013 \$000
Payroll Accruals	27	22
Holiday Leave	235	227
Organisational performance payment	-	-
Retirement Gratuities	<u>12</u>	<u>12</u>
Total employee benefits	<u>274</u>	<u>261</u>
Represented by:		
Current	262	249
Non-current	<u>12</u>	<u>12</u>
Total employee benefits	<u>274</u>	<u>261</u>

The retirement gratuities liability is a contractual entitlement for a reducing number of employees who having qualified with 10 years service will on retirement be entitled to a payment based on years of service and current salary. This entitlement has not been offered to new employees since 1991.



The gross retirement gratuities liability inflation adjusted at 2.57% (2013:2.3%) as at 30 June 2014 after discounting is \$12,344 (2013:\$12,344). The discount rate used is 6.50% (2013:6.50%)

Note 14: Accumulated Funds and Retained Earnings

	Note	2014 \$000	2013 \$000
Accumulated Funds		-	-
Retained Earnings			
Opening Balance		295	287
Net surplus/(deficit)		72	94
Transfers from restricted funds	15	251	480
Transfers to restricted funds	15	(312)	(566)
Retained earnings – closing balance		<u>306</u>	<u>295</u>
Total accumulated funds and retained earnings		<u>306</u>	<u>295</u>

Note 15: Restricted Funds

	2014 \$000	2013 \$000
Trusts, Bequests and Capital Grants		
Opening Balance	350	401
Additional funds received	107	429
Funds utilised	(251)	(480)
Trusts Bequests and Capital Grants – closing balance	<u>206</u>	<u>350</u>
Animal Acquisition		
Opening Balance	172	35
Additional Operating Grants and Donations received	115	76
Transfers from Other Operating Income	90	61
Funds utilised	-	-
Animal Acquisition – closing balance	<u>377</u>	<u>172</u>
These funds are represented by:		
Opening Balance	522	436
Transfers from retained earnings	312	566
Transfers to retained earnings	(251)	(480)
Restricted Funds – closing balance	<u>583</u>	<u>522</u>

The Trust has accumulated funds of \$100 contributed by Wellington City Council upon establishment of the Trust on 1 July 2003.

Restricted Funds: Purpose of each reserve

Trusts, Bequests and Capital Grants are monies received for a specific purpose.

Animal Acquisition Reserve Fund is made up of money received specifically for the acquisition of animals as well as money that the Trust has tagged from Other Operating Income to fund future animal acquisitions.

Note 16: Reconciliation of Net surplus to Net cash flow from operating activities

	2014 \$000	2013 \$000
Reported surplus/(deficit)	72	94
Add /(deduct) non cash items:		
Vesting of Assets	-	-
Movement in provision for impairment of doubtful debts	-	-
Depreciation	21	20
Total non-cash items	<u>21</u>	<u>20</u>
Add/(deduct) movements in working capital		
(Increase)/Decrease in accounts receivable	23	187
(Increase)/Decrease in Inventory	13	1
(Increase)/Decrease in Prepayments	(4)	(6)
(Increase)/Decrease in GST Receivable	61	5
Increase/(Decrease) in accounts payable and accruals	(280)	207
Increase/(Decrease) in monies held in trust	131	39
Increase/(Decrease) in GST payable	-	-
Increase/(Decrease) in Other Liabilities	-	-
Increase/(Decrease) in Employee benefit liabilities	13	(121)
Increase/(Decrease) in Revenue in Advance	54	76
Total working capital movement	<u>11</u>	<u>388</u>
Net cashflow from operating activities	<u>104</u>	<u>502</u>

Note 17: Financial Instruments

The Zoo's financial instrument categories include financial assets (cash and cash equivalents, loans and receivables and financial liabilities (payables that arise directly from operations and borrowings). The main purpose of the Zoo's financial instruments is to raise finance for the Zoo's operations.



As part of its normal operations, the Zoo is exposed to credit risk, interest rate risk and liquidity risk. The Zoo's exposure to these risks and the action that the Zoo has taken to minimise the impact of these risks is outlined as follows:

Note 17: Financial Instruments (continued)

Fair Value

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arms length transaction. The fair values and carrying amounts of all financial instruments are detailed below by class:

	Note	2014		2013	
		Fair Value \$000	Carrying Amount \$000	Fair Value \$000	Carrying Amount \$000
Financial Assets					
Cash and cash equivalents	7	1,937	1,937	1,831	1,831
Trade receivables, loans and other receivables					
– Trade Receivables	8	40	40	27	27
– Other Receivables	8	421	421	458	458
Financial Liabilities					
Payables		830	830	1,110	1,110

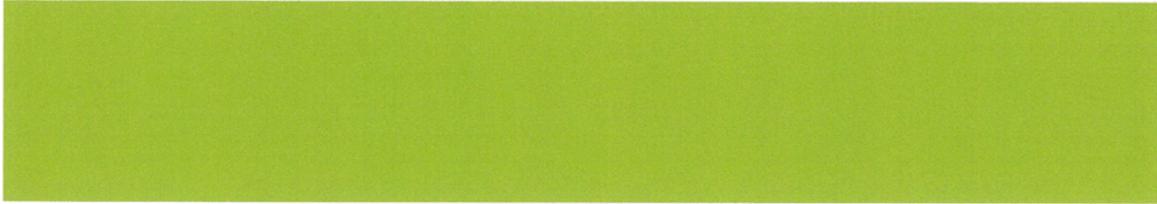
Credit Risk

Credit risk is the risk that a third party will default on its obligations to the Trust, therefore causing a loss. The Trust is not exposed to any material concentrations of credit risk, noting that all Cash and Cash equivalent balances are held with one bank. Receivables balances are monitored on an ongoing basis with the result that the Trust's exposure to bad debts is not significant. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Zoo's maximum exposure to credit risk at balance date is:

	Note	2014 \$000	2013 \$000
Financial Assets			
Cash and cash equivalents	7	1,937	1,831
Trade receivables, loans and other receivables			
– Trade Receivables	8	40	27
– Other Receivables	8	421	458
Total Financial Assets		2,398	2,316





Note 17: Financial Instruments (continued)

The status of trade receivables at the reporting date is as follows:

Trade and other receivables		2014		2013	
		Gross Receivable \$000	Impairment \$000	Gross Receivable \$000	Impairment \$000
Not past due	8	461	-	416	-
Past due 0-3 months	8	-	-	69	-
Past due 3-6 months	8	-	-	-	-
Past due more than 6 months	8	-	-	-	-
Total trade and other receivables		461	-	485	-

Liquidity risk

Liquidity risk is the risk arising from unmatched cash flows and maturities.

On a cash flow basis, the Trust maintains sufficient funds to cover all obligations as they fall due. Facilities are maintained in accordance with the Zoo's Treasury Management Policy and Guidelines.

The following table sets out the contractual cash flows for all financial liabilities that are settled on a gross cash flow basis. Contractual cash flows for financial liabilities comprise the notional amount and interest payment.

Note	2014				
	Statement of Financial Position \$000	Total Contractual Cashflows \$000	0-12 months \$000	1-2 years \$000	1-2 years \$000
Variable rate instruments					
Cash and cash equivalents	7	1,937	1,937	-	-
Total variable rate instruments		1,937	1,937	-	-

Note	2013				
	Statement of Financial Position \$000	Total Contractual Cashflows \$000	0-12 months \$000	1-2 years \$000	1-2 years \$000
Variable rate instruments					
Cash and cash equivalents	7	1,831	1,831	-	-
Total variable rate instruments		1,831	1,831	-	-



		2014				
	Note	Statement of Financial Position \$000	Total Contractual Cashflows \$000	0-12 months \$000	1-2 years \$000	1-2 years \$000
Trade and other payables	12	830	830	830	-	-
Total financial liabilities settled on a gross basis		830	830	830	-	-

		2013				
	Note	Statement of Financial Position \$000	Total Contractual Cashflows \$000	0-12 months \$000	1-2 years \$000	1-2 years \$000
Trade and other payables	12	1,110	1,110	1,110	-	-
Total financial liabilities settled on a gross basis		1,110	1,110	1,110	-	-

Note 17: Financial Instruments (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Trust's financial instruments will fluctuate due to changes in market interest rates. The Trust is exposed to interest rate risk from its interest-earning financial assets. The Trust is risk averse and seeks to minimise exposure arising from its treasury activities. It does not undertake unnecessary investment or borrowing activity, nor is it speculative in the activity it undertakes; the overall intention being to avoid placing the capital value of individual investment and borrowing facilities at risk.

The effective interest rate on our on-call facility is 3.45%.

Equity Management

The Zoo's equity includes accumulated funds and retained earnings and restricted funds which comprise special funds, reserve funds and trusts and bequests.

The Local Government Act 2002 requires the Zoo to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.



Note 18: Commitments

The Trust has a commitment to Wellington City Council (the Council) relating to the Zoo Capital Plan, a 10 year capital programme totalling \$20.881 million which commenced in 2006/07. The Council has approved a capital expenditure budget of \$15.661 million towards the Zoo Capital Plan to be spent over the 10 year period, starting in 2006/07. This funding is contingent on the Trust generating external sponsorship funding of \$5.221 million over the duration of the Zoo Capital Plan.

Wellington City Council has approved this funding subject to the following:

- That the Trust manages its projects within the annual capital expenditure budgets
- Wellington City Council Officers monitor the projects and review their status prior to tendering for any construction contracts
- Wellington City Council Officers will not authorise any contracts that would result in a material overspend of Wellington City Council capital expenditure budgets.

As at 30 June 2014, the Trust has vested \$4.547 million to the Council and has committed to fund an additional \$0.674 million over the period from 30 June 2014 to 30 June 2016. In line with the Contract for Services, this amount will be paid on receipt of external sponsorship funding. If external funding targets are not met then it is at the Council's discretion to amend the Plan accordingly.

The Trust had no operating lease commitments as at 30 June 2014. Payments due not later than one year Nil, payments due between one to two years Nil (2013:Nil).

Note 19: Contingencies

The Trust had no contingent liabilities as at 30 June 2014 (2013:Nil).

Note 20: Intra group transactions and balances

	2014 \$000	2013 \$000
Revenue for services provided to the Zoo from:		
Wellington City Council	362	646
	<u>362</u>	<u>646</u>
Revenue for services received by the Zoo from:		
Wellington City Council	2,724	2,802
	<u>2,724</u>	<u>2,802</u>
Current receivables owing to the Zoo from:		
Wellington City Council	421	458
	<u>421</u>	<u>458</u>
Current payables owing from the Zoo to:		
Wellington City Council	293	639
	<u>293</u>	<u>639</u>



Note 21: Related Party disclosures

Key Management Personnel compensation

	2014 \$000	2013 \$000
Salaries and other short term employee benefits	932	1,028
Post-employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
Total Key Management Personnel Compensation	932	1,028

Key management personnel include the Chief Executive, other senior management personnel and Trustees.

Trustee's Remunerations

Trustee's remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to a trustee.

The following people held office as trustees of the Zoo during the reporting period. The aggregate remuneration paid to the trustees during the year totalled \$81,250 (2013:\$87,500) and is disaggregated and classified as follows:

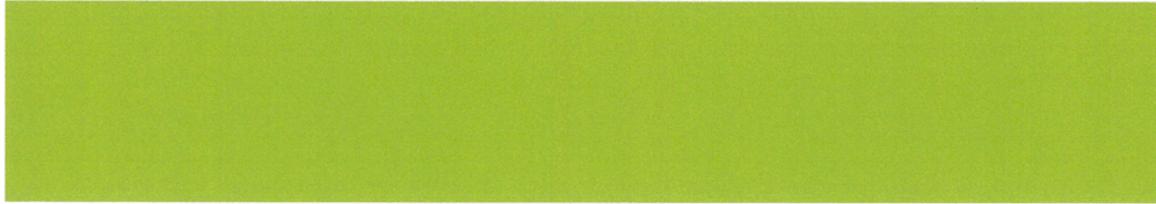
Trustee Remuneration	2014 \$000	2013 \$000
Ross Martin	31	30
Frances Russell	16	15
Linda Meade	15	13
Simon Marsh	4	15
Alan Dixon	15	15
Total Trustee Remuneration	81	88

Related party transactions

During the year trustees and key management, as part of a normal customer relationship, were involved in minor transactions with the Trust.

The Trust receives a grant from the Wellington City Council under a Contract for Services. In addition, the Wellington City Council receives/pays amounts for the provision/(receipt) of other goods and services. These other transactions are conducted on an arms-length basis. The amounts owing to/from related party balances are disclosed in Note 20.

Services received from the Zoo Aquarium Association (ZAA) in 2014:\$3,328.59 (2013:Nil). Karen Fifield who is the Chief Executive of the Zoo is the President of ZAA. This transaction was also conducted on an arms-length basis. Grants received from Wellington Community Trust in 2014 \$50,000.00 (2013:\$12,000.00). Frances Russell who is a trustee of the Zoo was also the Executive Director of Wellington Community Trust. This transaction was also conducted on an arms-length basis.



Note 21: Related Party disclosures (continued)

The Trust also purchased services from the Zoo Aquarium Association (ZAA). These services cost \$43,005.84 (2013:\$34,205.93) and were supplied on normal commercial terms. There was an outstanding balance for unpaid invoices at year end of \$Nil (2013: Nil). Karen Fifield who is the Chief Executive of the Zoo is the President of ZAA.

Simon Marsh who is a trustee of the Zoo, is a Director of Hermes Management Limited. His Trustee fees of \$3,750 (2103: \$15,000) were paid to Hermes Management Limited. There is a Nil balance at year end (2013: \$4,312.50). Linda Meade who is a trustee of the Zoo is a Director of Daisies Daycare Limited purchased services from the Zoo for \$86.96 (2103:Nil) and these services were supplied at normal commercial terms. (2013:Nil) . There is a Nil balance outstanding for unpaid invoices at year end (2013:Nil).

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2013:\$Nil).

Note 22: Severance Payments

In accordance with the Schedule 10, section 19 of the Local Government Act 2002, the Zoo is required to disclose the number of employees who received severance payments during the year and the amount of each severance payment made.

Severance payments include any consideration (monetary and non-monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with the Trust. Severance payments exclude any final payment of salary, holiday pay and superannuation contributions.

For the year ended 30 June 2014, the Trust made one severance payment. \$35,000 . (2013:\$35,000).

Note 23: Events after balance date

There were no significant events after balance date that affect the financial statements.

Statement of Intent Key Performance Indicators

For the year ended 30 June 2014

A Statement of Intent was prepared for 2013/14. The Statement of Intent was delivered to Wellington City Council on 27th February 2013 and approved by them on 20th June 2013 including the following performance indicators.

Measure	Target 2013/14	Result 2013/14	Result 2012/13	Narrative
Meeting ZCP project timing and budget programme	Completion of Dingoes, Wallabies (Neighbours), and Servals Start Meet the Locals (MTL)	Dingoes, Wallabies (Neighbours) completed Tasmanian Devils completed Servals under construction. MTL Concept and Developed Design Completed	Asia Precinct completed Hero HQ completed Dingoes, Wallabies (Neighbours) under construction	
25% vesting target achieved	25% of CAPEX spend from CX340	25% target met: \$240,707 vested based on actual capital Spend of \$962,826	\$406,538	We have changed the way we state this measure to reduce confusion at WCC regarding our fundraising targets which are linked to 25% CAPEX spend and not an independent number. The measure in the SOI read as 'Fundraising targets for ZCP reached or exceeded'. The target was \$400,000 based on \$2M CAPEX spend.
Increase total admissions by 2% each year on base year 2005/06 (170,116 visitors) as per Business Plan	216,890	227,434	232,130	Above target, driven by opening of the Australia Precinct, Tasmanian Devils and ongoing value for money. We enjoyed the busiest day in our history on Wellington Open Day with 7,006 visitors.
Average income per visitor (excluding WCC grant)	≥ \$14.82	\$14.01	\$13.82	Whilst we did not attain the target of \$14.82, this is our highest average income per visitor result to date.
Ratio of Trust generated income as % of WCC grant	118%	117%	115%	

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Statement of Intent Key Performance Indicators (continued)

Measure	Target 2013/14	Result 2013/14	Result 2012/13	Narrative
Average WCC subsidy per visitor	≤ \$12.52	\$11.94	\$12.06	Ahead of target, driven by visitation being significantly ahead of target for this financial year.
Collection in managed conservation breeding programmes (% of total Collection)	41%	40%	39.8%	
In the wild conservation projects supported	≥ 4	8	N/A	Free the Bears, 21 st Century Tiger, Proyecto Titi, AMLD (Golden Lion Tamarins), Kea Conservation Trust, Madagascar Fauna and Flora Group, Places for Penguins, Cheetah Outreach
Wellingtonians visiting the Zoo	50%	N/A	49%	This survey is no longer done by Wellington City Council and we will be using the measure below in the future as it is more targeted.
Measure visitor feedback and satisfaction	1 research project	1	1	Awaiting on final results of large scale visitor experience survey, to assess what makes the biggest impact for Zoo visitors and how they see the Zoo
Volunteer hours (9600 hours = 5 FTE)	> 5FTE (9,600 hours)	8,804 hours (4.6FTE)	8,048.25 hours (4.19 FTE)	
Staff turnover (excluding casual and fixed term roles)	< 15%	29.82%	17.24%	



「CREATING EXCELLENCE IN DELIVERING REGIONAL
WATER SERVICES FOR HEALTHY COMMUNITIES」



Annual Report 2013-2014

Item 3.1 Attachment 5

Item 3.1 Attachment 5

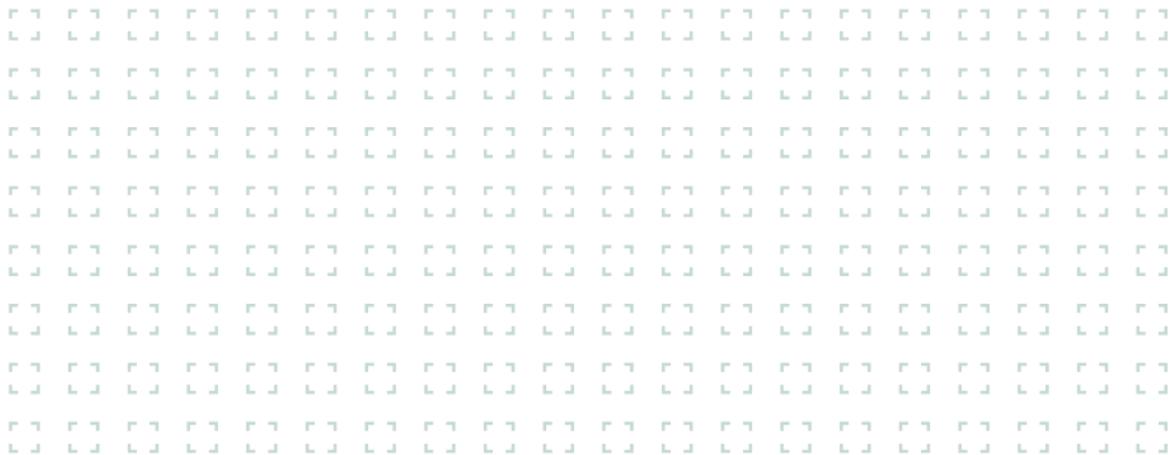
WATER THAT IS SAFE TO DRINK

NETWORKS THAT ARE RESILIENT, NOW AND IN THE FUTURE

RESPECT FOR COMMUNITIES AND THE ENVIRONMENT

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Capacity Infrastructure Services

Capacity Infrastructure Services is a council-owned company that manages water networks for the Hutt, Porirua, Upper Hutt and Wellington city councils.

Our purpose is to create excellence in delivering regional water services for healthy communities. We do this by working across the region to identify issues that are significant and common to our council clients and their ratepayers, then advising each client on the best solutions to achieve the outcomes they seek from their drinking water, wastewater and stormwater services.

We engage with a range of suppliers and other stakeholders to carry out agreed programmes of work. This includes obtaining resource consents, designing and managing projects, investigating and responding to network problems such as leaks, breakdowns, flooding and pollution, advising property developers and businesses, planning for emergencies, developing and delivering information programmes – and reporting on this activity.

As well as managing our clients' water network assets, we also promote awareness of ways in which everyone can play a positive role in achieving our three waters outcomes:

- Water that is **safe** to drink.
- **Respect** for communities and the environment.
- Networks that are **resilient**, now and in the future.

Three waters, three outcomes

The three waters – drinking water, wastewater, stormwater – and their successful management are essential elements for the health and growth of any urban area.

In the four cities, safe drinking water is delivered every day to around 140,000 homes, offices and commercial premises, through over 2,500km of publicly owned pipes.

Wastewater from those homes and businesses is transported via a network totalling more than 2,200km to one of four treatment plants, in Porirua, Seaview (Hutt City), western Karori and Moa Point (Wellington). It is then discharged to the sea.

And stormwater systems in each city that include streams, rivers, and almost 1,700km of pipes, carry rain water that runs from city roofs and streets to enter the coastal environment.

When setting their expectations for the performance of these critical networks, city councils must be mindful of the impacts of population growth and development needs, climate change, aging infrastructure and replacement costs, changing regulatory requirements and public expectations. Capacity's role is to act as a trusted advisor, taking account of all this information and more, looking into the future as well as across the region, then applying our expertise to help each council make the best decisions to meet their vision for the future of their city.

This report reviews our performance as an advisor and manager of the three water networks on behalf of our clients, and as a standalone business responsible to our four shareholders – the Hutt, Porirua, Upper Hutt and Wellington city councils.

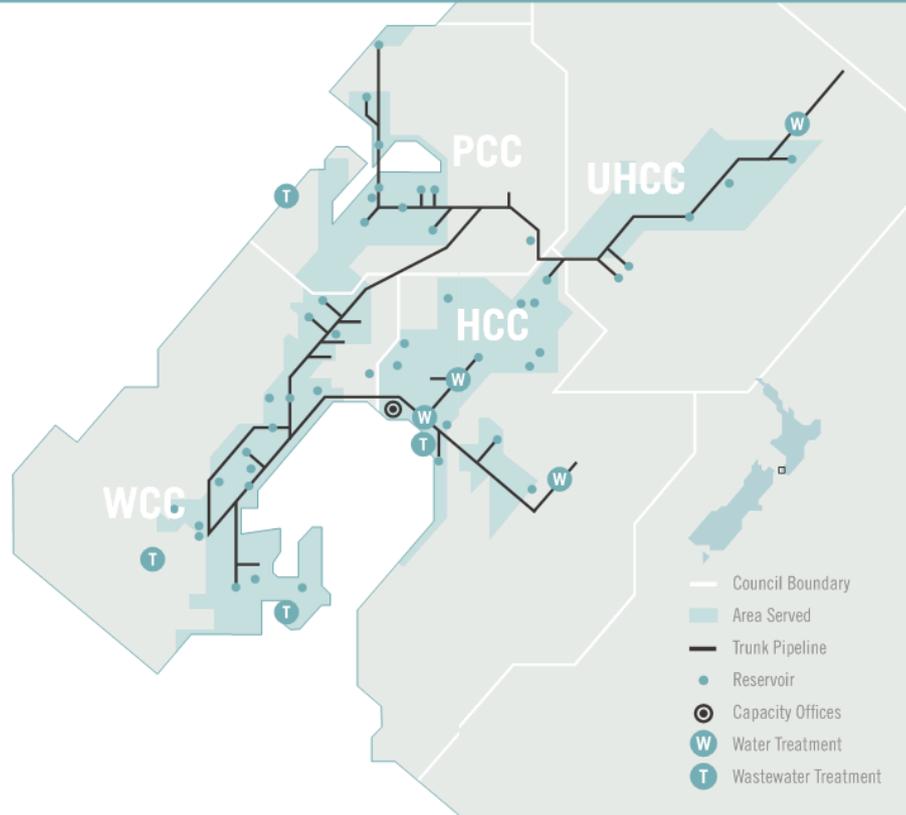
49,291,000,000

litres of water supplied to Porirua, Lower Hutt, Upper Hutt and Wellington, 1 July 2013 – 30 June 2014



*Population figures are based on projections from Statistics New Zealand. Includes all water supplied. Average residential consumption per person is 210-220 litres per day.

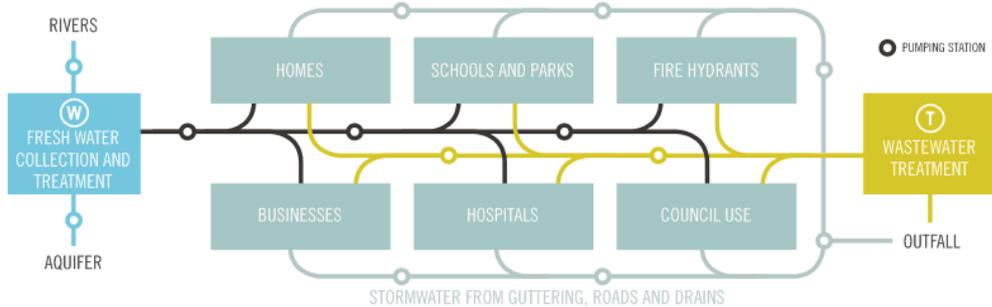
ONE REGIONAL NETWORK



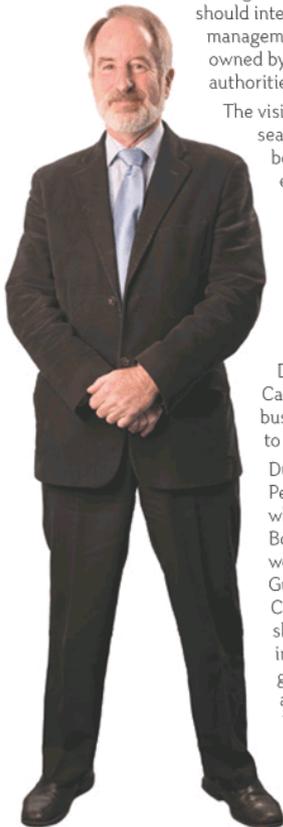
FOUR COUNCILS

HUTT CITY		PORIRUA CITY		UPPER HUTT CITY		WELLINGTON CITY	
Asset value:	\$510 million	Asset value:	\$320 million	Asset value:	\$272 million	Asset value:	\$1197 million
Population:	103,400	Population:	51,700	Population:	39,360	Population:	201,160
Connections:	38,718	Connections:	18,040	Connections:	12,302	Connections:	69,000
Pipelines (km):	1,801	Pipelines (km):	1,009	Pipelines (km):	649	Pipelines (km):	3,028
Pumping Stations:	54	Pumping Stations:	57	Pumping Stations:	27	Pumping Stations:	96
Reservoirs:	24	Reservoirs:	18	Reservoirs:	16	Reservoirs:	80

THREE WATERS



From the Chairman



During the course of the year, Capacity celebrated its tenth year in operation. We began the year jointly owned by the Wellington and Hutt city councils, as a separate business entity to manage the provision of the three water services to our two client shareholders. Four years later, Upper Hutt City Council joined Capacity as a client, but not as a shareholder.

Over the first ten years, Capacity has worked to provide water services as sustainably and economically as possible. Though our vision to expand and provide services right across the region did not initially materialise, it is now a reality.

During the past year, Upper Hutt City Council joined as a shareholder. Porirua City Council joined as both a shareholder and a customer. The plan to move to a more outcomes-based business model, signalled in our last year's report, became fully operational during this year.

Of even greater satisfaction was seeing our four shareholders agree in principle that the Greater Wellington Regional Council's bulk water division should integrate with Capacity to form a new water management company. The new company will be owned by and provide services to all the five local authorities across the Wellington region.

The vision's final stage, to provide 'source to sea' service on an integrated basis, is now being planned in earnest. It is our expectation that this can be achieved before the end of this calendar year.

It is very encouraging to see the constructive cooperation between all of the local authorities in the Wellington region, which I am sure will result in great long-term benefits for the citizens of the Wellington region.

Despite these significant changes, Capacity staff have continued to operate business as usual, providing great service to all of our customers over the year.

During the year we farewelled directors Peter Allport, Andy Foster and Peter Leslie who each served their full terms. New Board members appointed during the year were Sarah Free, Nick Leggett, Wayne Guppy, Raveen Jaduram and Nicki Crauford. They have all brought diverse skills and passion to the Board. As the integration with the bulk water service gathered momentum post balance date, a new governance model was agreed. This saw the creation of a five person Water Committee whose members will be representatives of each of the four city councils and the regional council.

A new Board will be formed, under my chairmanship, with Raveen, Nicki, and Ian Hutchings in place, to be joined by up to four new directors.

The company also recruited a new chief executive, Colin Crampton, following the retirement of our inaugural chief executive, David Hill. Colin commenced work in late January and has thrown himself into the job with huge energy and great enthusiasm. He is doing a splendid job in a fast-changing environment.

During the year, the Board has refreshed and adopted a new strategic plan. This is focused on working effectively to achieve the community objectives determined by our respective council clients. Our focus is to provide the three water outcomes dictated by our clients, on a coordinated basis with a regional overview and three priorities:

- Safe to drink
- Respectful to the environment
- Resilient now and in the future

The assets of the water network remain with our client councils and they retain final decisions on all investment matters and the outcomes required. We work hard to provide them consistent, coordinated and first-class advice to enable them to make the right decisions. I am confident that there is a greater understanding of the role Capacity provides in a refreshed environment of trust and greater cooperation, such that Capacity can rightly claim to be the trusted advisor to all its council clients.

I would particularly like to record the Board's appreciation and thanks to our inaugural chairman, Bryan Jackson, and chief executive, David Hill, my predecessor as chair of the Board, Peter Allport, and outgoing directors Peter Leslie, Andy Foster, David Bassett, Sarah Free, Wayne Guppy and Nick Leggett.

I have huge confidence in the qualities and enthusiasm of our new chief executive and of all of the current staff in Capacity. This will be enhanced further with the proposed integration with the excellent people working in the Water Supply Group of the regional council. I have no doubt that the new combined entity will deliver on the hopes and expectations of our five shareholders.

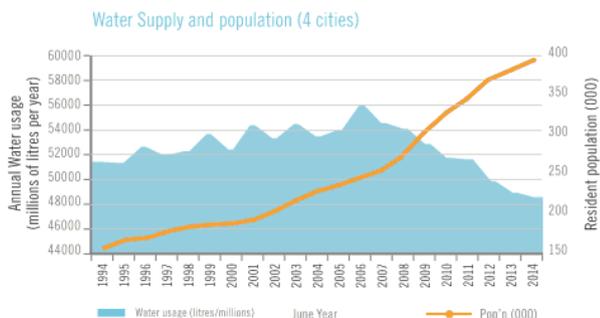
My thanks to the staff at Capacity for all of their hard work, and for the help and support of my fellow Board members.

John Strahl
Chairman

Highlights of the Year

WATER USE PER CAPITA CONTINUES TO FALL.

Despite a growing population, and even without increased watering restrictions implemented in the summer of 2012-13, water use in the June year was the lowest per capita in 40 years. This is a reflection of leak detection and repair work, as well as water conservation messaging and increased use of water efficient devices.



STORMWATER MANAGEMENT PLAN

We completed Stage 1 of the Integrated Wastewater Catchment Management plan. This plan is required by a resource consent permitting Wellington City Council to discharge stormwater and occasionally contaminated stormwater into the coastal marine area. Stage 1 identified different catchments and various impacts of stormwater discharges. Stage 2, now under way, will develop catchment-specific plans to manage existing and future water quality.



An integrated approach to addressing stormwater issues is a requirement of the new National Policy Statement on freshwater.

CAPACITY HITS TEN YEARS

Ten years after it was formed, Capacity achieved its aim of managing three waters networks across four major cities. Capacity achieved this goal when Upper Hutt and Porirua City became shareholders of Capacity in November. By June 2014, negotiations were well advanced with the Water Supply Group of Greater Wellington Regional Council to create a full source to sea water services management company.



The mayors of Hutt, Upper Hutt, Porirua and Wellington cities – Ray Wallace, Wayne Guppy, Nick Leggett and Celia Wade-Brown, raise a glass to Capacity's 10 years.

From the Chief Executive

Capacity sought to take a new direction in 2014. Over the previous six months the company had been focused on growing from an efficient delivery business to a value-added outcomes-based business, culminating in Porirua City Council and Upper Hutt City Council becoming shareholders in November 2013. With these shareholders added, Capacity became a true regional retail three waters business, delivering service to 400,000 people within the Wellington region.

At the beginning of 2014, the most important question we asked ourselves was "Who is our customer?" There were two choices:

- a) our client councils, or
- b) the general population of the four cities.

The unique model under which Capacity operates resulted in the decision that our client councils were our primary customers. They consult with ratepayers through their long term plans and set levels of service and investment to achieve three waters outcomes. It is Capacity's job to work with councils to achieve these service levels and outcomes by being their trusted advisor. That is, we work as an extension of councils, providing excellent advice and consistency across the region.

Our secondary customer angle is to deliver great customer service to the communities of the four cities.

With our primary customer decision in place, we set about determining our company strategy. The result of this was a focus on the regional nature of our business. In providing identical services to all clients, we have the opportunity to look across all four cities for key regional issues and promote a conversation on how to deal with these. If we are successful with this, individual councils will then invest in a coherent fashion, resulting in a region working hard to deal with the issues most important to it. It is very early days with this work and we are looking forward to progressing this strategy over the next year.



To deliver this strategy we need the capability to match. Capacity has sound capability to cover its entire operational works, and some strategic asset management skills. To be a trusted advisor and deliver on the regional strategy, we need more strength in our strategic planning and asset management functions. We are looking to build up these skills over the next financial year. At the same time, we are working hard to build a culture where staff are empowered to make things happen, work in a collaborative manner and feel comfortable to lead in regional debates. Our internal culture survey suggests we are growing our people-leading capability and ensuring we are results focused.

The fourth key task for us was to progress the merge with Greater Wellington Regional Council's Water Supply Group. This was the last element of Capacity achieving the full regional model. Great progress had been made by year end and, shortly after balance date, the regional council undertook public consultation, then agreed with the four city councils to proceed with the proposal.

This is an exciting period of change for Capacity, while we continue to manage asset work programmes exceeding \$150m a year. We look forward to consolidating our regional work in the financial year ahead.

A handwritten signature in black ink, appearing to read 'Colin Crampton'.

Colin Crampton

Client Feedback

Hutt City Council has for many years maintained a strong focus on a financial strategy aimed at reducing debt and minimising rates increases, while at the same time maintaining first class core infrastructure assets and customer services. Within those challenging parameters, Capacity has consistently provided quality asset management advice and planning, combined with expert contractor and financial management skills, to deliver annual operating programmes and capital projects on time, to quality, and within budget.

I look forward to continuing our open, strong relationship with Capacity as a full end-to-end service provider.

Bruce Sherlock, General Manager,
City Infrastructure, Hutt City Council



Joining Capacity meant greater opportunities for council staff in a bigger organisation, as well as reducing the risk to Upper Hutt, as a smaller council in the region, of attracting and retaining highly skilled staff. The shared service model ensures we're able to get the best advice and retain local knowledge.

Lachlan Wallach, Director Asset Management
and Operations, Upper Hutt City Council



It was always the vision of Wellington City Council to see a region-wide water services entity that had the scale to develop a true 'centre of excellence' for these essential services.

International best practice shows that scale is essential to be able to attract and retain the diverse range of skills necessary to provide this.

We are delighted to see the progress towards this vision with Upper Hutt and Porirua joining the company as both shareholders and clients. With the Greater Wellington Regional Council bulk water team planning to join, the future looks even brighter.

Anthony Wilson, chief asset officer,
Wellington City Council

Capacity Infrastructure Services Annual Report 2013-14

How Capacity is funded to perform

City councils are required by the Local Government Act (2002) to describe community outcomes and set measures and targets for the performance of activities including each of the three waters. Councils do this through long term (10-year) and annual plans. The public can make submissions on any aspect of these plans, so councils can be sure their communities are comfortable with proposed levels of service. Capacity is responsible for delivering on our client councils' three waters measures and targets. We generally refer to these as LTP

Indicators and we report on them every quarter. Because we're a council-owned organisation, we also report to our shareholders on targets and measures relating to our performance as a well-run business. These are Capacity's Performance Indicators. To achieve our LTP and performance indicator targets, we are funded through annual budgets set by councils as part of their annual plans. We apply this money to the three water networks, to deliver the level of performance funded, and to achieve our agreed outcomes.

FROM LONG TERM PLANS TO COMMUNITY OUTCOMES

Councils' LTP measures and targets for the three waters are reported in detail on pages 20-21.

WATER SUPPLY	STORMWATER	WASTEWATER
Drinking water quality Customer satisfaction Service response time Network reliability	Flooding incidents Beach water quality Customer satisfaction Service response times Network reliability	Water quality Customer satisfaction Service response times Network reliability

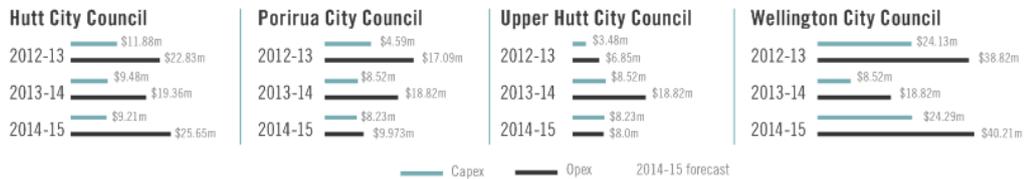
CAPACITY'S PERFORMANCE INDICATORS

These indicators were published in our 2013-14 Statement of Intent. We report on them on the next page and throughout this Annual Report. They are grouped as follows:

SERVICE QUALITY	CUSTOMER FOCUS	COST EFFECTIVENESS	ENVIRONMENTAL STANDARDS	LEGISLATIVE COMPLIANCE	PROCESS
-----------------	----------------	--------------------	-------------------------	------------------------	---------

COUNCIL WATER BUDGETS

Councils allocate money for their water networks in two main categories: capital expenditure (capex) and operational expenditure (opex). Capex work includes replacing or upgrading assets, such as pipes and reservoirs; opex funding is spent on repairs and maintenance. (Figures below exclude interest and depreciation, and include bulk water fees.)



OUTCOMES FOR COUNCILS AND COMMUNITIES

We are an outcome focused business, meaning we emphasise delivering what is meaningful to our clients and customers.

WATER THAT IS SAFE TO DRINK	RESPECT FOR THE ENVIRONMENT	NETWORKS THAT ARE RESILIENT NOW AND IN THE FUTURE
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✔ Achieved △ Not achieved N/A Measure not applied for this city

HOW WE PERFORMED ON OUR STATEMENT OF INTENT 2013-2014

CAPACITY'S STATEMENT OF INTENT PERFORMANCE INDICATORS		HOW WE DID				NOTE
OUR SERVICE QUALITY Water Supply						
1	Fewer than four unplanned supply cuts (pipe bursts) per 1000 connections	HCC 1.87	PCC N/A	UHCC 1.55	WCC 1.55	✔
2	Fewer than 1.2 wastewater incidents reported per kilometre of wastewater reticulation pipeline	0.68	N/A	0.58	0.58	✔
3	Maintain existing Ministry of Health grades for water supply	b	a	a	b	✔
4	Comply with New Zealand drinking water quality standards	100%	100%	100%	100%	✔
5	Complete annual operating and maintenance programmes within budget	(See table below)				△
6	Complete annual capital projects programmes within budget	(See table below)				✔
7	Complete annual operating and maintenance programmes within the financial year (+/-10%)	93%	N/A	100%	95%	✔ see p12
8	Complete annual capital projects programmes within the financial year (+/-10%)	90%	N/A	86%	89%	△ see p12
9	Maintain network serviceability indicators within agreed tolerances	See Note 1				
OUR CUSTOMER FOCUS						
10	Achieve A & B response time targets for priority one activities in 97% of incidents or better	99%	N/A	98%	98%	✔
11	Achieve customer service satisfaction survey targets relating to network performance and activity within Capacity's control, as agreed with each client council (Targets 95%, WCC 90%)	92%	N/A	94%	100%	△
12	Achieve customer complaint targets relating to network performance and activity within Capacity's control, as agreed with each client council	See Note 1				
OUR COST EFFECTIVENESS						
13	Meet client council requirements for operating costs per connection	See Note 1				
14	Maintain capital projects design and consultancy charges as a percentage of capital expenditure within industry guidelines	See Note 1				
15	Manage Capacity within budget	(See table below)				✔ Note 2
16	Maintain unaccounted for water percentages at or below levels agreed with each council	17.3%	14.2%	15.9%	11.3%	Note 3
OUR ENVIRONMENTAL STANDARDS						
17	Maintain average unmetered water consumption (normal year) at or below levels agreed with each council (Targets HCC 350L, WCC 290L Residential use)	220	N/A	N/A	264	✔
18	No resource consent related infringement notices received from Greater Wellington Regional Council	0	1	0	0	△
19	Full compliance with all relevant legislation					✔ Note 2
OUR LEGISLATIVE COMPLIANCE						
20	Full compliance with the Health and Safety in Employment Act 1992					✔ Note 2
21	Achieve key milestones for emergency management planning delivered by Capacity					✔ Note 2
OUR PROCESSES						
22	Meet Audit New Zealand requirements for asset management plans					✔ Note 2
23	Deliver asset management plans, statement of intent, annual report and other agreed documents on time					✔ Note 2
24	Maintain ISO accreditation					✔ Note 2

Note 1. Indicator under review for inclusion in council 2015-25 long term plans. Note 2. Single indicator represents organisation performance. Note 3. WCC target 14%. Targets for HCC, PCC and UHCC to be determined for inclusion in 2015-25 long term plans.

Indicator 5
Operations expenditure, three waters (\$m)

	2013-14		2012-13
	Budget	Actual	Actual
HCC	19.363	18.460	22.79
PCC	18.818	19.072	17.684
UHCC	4.551	4.598	6.85
WCC	42.360	41.380	39.96
Total	85.092	84.482	87.284

Indicator 6
Capital expenditure, three waters (\$m)

	2013-14		2012-13
	Budget	Actual	Actual
HCC	9.475	8.130	9.786
PCC	8.522	6.0	6.196
UHCC	3.726	2.915	3.483
WCC	26.025	23.399	21.617
Total	47.749	40.445	41.082

Indicator 15
Capacity Infrastructure Services

	2013-14		2012-13	
	\$m	Actual	Budget	Actual
Revenue	13.281	16.570	7.620	
Expenditure	13.225	16.456	7.646	

The significant change in revenue and expenditure compared to last year is a result of Porirua and Upper Hutt becoming shareholders, and a change in our funding model. Full financial statements and notes appear on pages 34-51.

Service Delivery Review

This section provides an update on specific activities we noted in our 2013-14 Statement of Intent, in response to requests from our shareholders.

ASSET MANAGEMENT PLANNING

In 2012 Capacity completed a review of our asset management practices and prioritised twelve key areas for improvement. We have now completed eight of these. Three of the four uncompleted projects, demand forecasting, contingency plans, and levels of service, will be completed by December 2014.

With the integration of Greater Wellington's Water Supply Group and Capacity into a new council-controlled organisation, the remaining improvement project – implementing a single regional three waters asset management system within Capacity that links to council systems – has to be extended to include Greater Wellington. This will be carried out in the 2015-16 year.

Over the past year we have developed a standard template for asset management plans across client councils and we are now populating this.

We completed pipeline condition models and will continue to calibrate them by taking representative pipe samples and adjusting the models according to actual pipe condition.

The criticality framework for identifying and managing critical assets which we have developed was presented at the IPWEA conference in June this year.

We also completed preliminary work on identifying key regional issues faced by our client councils, and proposed responses to these issues. These will be used to guide conversations with our clients in the coming months, with the aim of developing a coherent regional investment strategy to address the issues.

Standardising asset management systems for the region



Installing a section of 900mm water main in Hargreaves Street, Wellington



Above: Water supply pipework relaid as part of the Memorial Park development.

Developing regional investment strategies to address issues



CAPITAL PROJECT MANAGEMENT

Capital works projects are managed through programmes agreed with individual councils, sometimes several years ahead of when they are carried out. As a consequence, the actual work programme can vary from that set out in council annual plans and our Statement of Intent.

This year our project completion numbers reached 90% of target for Hutt City, 86% for Upper Hutt and 89% for Wellington. Overall capital projects expenditure was 12.2% below budget.

The main reason for the variance was project deferrals. These occurred for a variety of reasons, including diverting funding to more urgent work, additional investigation or timing requirements, and project scope changes. Wellington's Hospital Prince of Wales reservoir is a major budgeted project that was placed on hold by Wellington City Council, and the timing of stormwater works within Tasman Street and the campus of Massey University was delayed to fit in with the Memorial Park project.

We believe we could be better prepared to cope with variations in the annual programme. We completed a significant amount of forward design work in the year which will help us be more resilient to change in the coming year. We also examined our own performance in this area and identified that we needed to be better prepared to cope with unforeseen events and urgent client requests. This resulted in a stronger focus on forward planning, and greater accountability. We also tasked individual staff members with responsibility for work programme delivery, and increased our monitoring of programme progress, to better track and forecast programme completion issues.

We are also developing a process to agree on programme changes as a result of urgent works or council requirements.



A contracts and procurement manual is in development, to make our tendering processes more transparent.

We had expected this to be ready by 1 July 2014, but have delayed implementation to allow for implications of the merger with the regional council's Water Supply Group, and to engage with our suppliers for their feedback.

We have undertaken improvements to our health and safety systems including improved documentation from contractors concerning site-specific health and safety plans, and additional forms and checklists to be used by our staff for contract management.

PROGRAMME HIGHLIGHTS

Hutt City

Wastewater pipes in Wainuiomata and Naenae were assessed for their impact on inflow and infiltration issues. We renewed wastewater drains in Wainuiomata, Naenae, Alicetown and Point Howard.

We carried out work to improve the earthquake resilience of the water network, strengthening the Konini and Kingsley reservoirs, and renewing a major water main that travels under the Kennedy Good bridge.

New pumps were installed at the Kelson pump station and water and stormwater mains were renewed in Stokes Valley.

Porirua City

Capacity took over delivery of Porirua's capital expenditure programme a third of the way through the financial year.

We completed a refit of Porirua Low reservoir, including installing seismic resilient valves, and the structural relining of a water main which crosses beneath State Highway 1, Porirua Stream and the rail network. This was the first time this technique had been used in New Zealand.

Stormwater upgrades consisted of city-wide minor works including sump, manhole and inlet upgrades, with larger works centred on addressing flooding issues within the Waitangirua area.

To help reduce bathing beach water contamination, we undertook CCTV investigations, smoke testing, flushing and patch repairs in the Titahi Bay area. Five kilometres of wastewater drains and associated manholes were relined in Cannons Creek, Waitangirua and Papakowhai. Twenty residential wastewater pumps, associated pipework and water supply reticulation in Pauatahanui were added to Porirua's network management. A suite of maintenance activities was also completed on the Porirua wastewater treatment plant.

Upper Hutt City

We improved the earthquake resilience of two water reservoirs and installed new pumps at the Seddon Street bore, which is a key asset should normal supply be disrupted. Water mains were renewed at seven locations. Wastewater and stormwater drains are being renewed in

Capacity Construction Services Annual Report 2013-14

Elmslie Road including Stage 2 of the Elmslie Road wastewater project, which was brought forward from the 2014-15 year. Consequently construction of the Whakatiki Street wastewater drain was deferred to 2014-15.

Six other stormwater and wastewater drains were renewed, although completion on two projects was delayed when the contractor was diverted to complete urgent work elsewhere.

Wellington City

Water supply resilience work included seismic upgrades for Maupuia reservoir and a similar upgrade for Maldive No. 2 reservoir. We decommissioned unused reservoir tanks in Khandallah, Karori, Karaka Bay, Woodridge, Mt Cook and Northland.

We renewed pipe networks in Miramar, Strathmore, Kilbirnie, Tawa, Melrose and in the central business district. We upgraded pipe networks in Aro Valley, Karori, Glenside and Highbury to meet firefighting standards. Three water pump stations were upgraded.

Wastewater network renewals were completed at 18 locations throughout the city with a strong focus on Miramar, where seven renewals were completed. Three wastewater pump stations were upgraded to ensure they meet performance expectations into the future.

Stormwater drains were upgraded at five locations throughout the city. The Davis Street culvert was strengthened as the culvert is located beneath the Wellington oversized vehicles route. To address historical flooding issues in Te Aro, work began on Stage 2 of the Tasman Street stormwater upgrade project, tunnelling under the Massey University campus.

ANNUAL PLAN PROGRAMME COMPLETION AND BUDGET

Hutt City Council

Projects	Planned	Completed	% Completion	Target +/-10%
Capex	26	23.3	90%	✓
Opex	28	26	93%	✓
Budget (\$000) Actual (\$000) % Completion Target +/-10%				
Capex	\$9,475	\$8,130	86%	△
Opex	\$19,363	\$18,460	95%	✓

Capex underspend was mainly due to public and private consent requirements for two projects.

Upper Hutt City Council

Projects	Planned	Completed	% Completion	Target +/-10%
Capex	28	24	86%	△
Opex	25	25	100%	✓
Budget (\$000) Actual (\$000) % Completion Target +/-10%				
Capex	\$3,726	\$2,915	78%	△
Opex	\$4,551	\$4,598	101%	✓

Under-completion was mainly due to an urgent wastewater network repair which needed specialist skills that were not immediately available. Funding was carried forward to the new year.

Wellington City Council

Projects	Planned	Completed	% Completion	Target +/-10%
Capex	70	62.5	89%	△
Opex	38	36	95%	✓
Budget (\$000) Actual (\$000) % Completion				
Capex	\$26,025	\$23,399	90%	✓
Opex	\$42,360	\$41,380	98%	✓

The Tasman Street tunnelling project was re-tendered; and Maupuia reservoir construction delayed due to asbestos.

EMERGENCY MANAGEMENT

Resilient infrastructure

Our work in this area focuses on strengthening existing network components, improving network resilience, and improving reservoir, pipe, valve and pump station design.

Work over the 2013-14 year included assessing and upgrading critical assets including pipelines, pumping stations and reservoirs. This improves the security of supply in a post-earthquake environment, and reduces the length of time taken for network restoration.

Hutt City: We replaced critical pipelines, upgraded Kelson water pump station, and conducted seismic assessments of all reservoirs and reservoir couplings.

Porirua: The replacement of critical pipelines and upgrade of the Porirua Low reservoir upgrade were completed under a programme targeting major reservoirs that began three years ago and has five more years to run.

Wellington: We replaced critical pipelines and upgraded Karori Park pump station. Work on Maupuia and Maldive No. 2 reservoirs was almost complete by the end of the period. Work on the Hospital Prince of Wales reservoir was deferred at the council's request, pending investigation into other resilience options.

Response Capability

Our work in this area includes emergency response planning to ensure an effective response to emergency events. We also undertook specific

projects to provide alternative supply sources to supply communities until such time as normal service levels are resumed following a major event including:

- updating the Capacity Emergency Management Plan and participating in Wellington Regional Emergency Management Office and Wellington Lifelines Group planning and information management projects
- reviewing and scoping a regional telemetry plan across the three waters infrastructure to build resilience in information and control systems
- installing emergency water storage facilities at key distribution sites
- identifying and procuring additional emergency water sources from ground water (bores and streams)
- preparing an emergency water supply plan that sets out for each council its potential alternative supply sources and the programme and funding requirements to develop them
- identifying options for safe waste disposal.

WASTEWATER NETWORK MODELLING

Modelling is an essential planning tool for shaping development and upgrade plans.

Hutt City Council: Modelling of the Wainuiomata network is being used to identify and prioritise solutions to minimise inflow and infiltration. With the model complete, the next stage is to evaluate options and settle on the preferred strategy for addressing network issues. This work is now pending funding from the council.

CCTV investigations, pressure testing and inflow surveys completed in Naenae and Stokes Valley identified renewal projects to be included in future work programmes.

Upper Hutt City: Work continued on extending and upgrading Upper Hutt's network model with new asset data collected through monitoring programmes. We expect this to be complete in the coming financial year, prior to preparing management and renewal programmes for 2015-16.

Wellington: Earlier in the year we recalibrated the network model for Wellington's trunk wastewater system and used it for an investigation required by the council's global stormwater discharge consent. Further catchment-targeted modelling was placed on hold by the council for 2013-14, but more will be undertaken in the coming year through the work of the integrated catchment management plan.

NETWORK OPERATION DATA

We manage and monitor a supervisory control and data acquisition (SCADA) network that consists of over 350 telemetry sites, 12 repeaters, 12 channels and seven base

stations. This system is due to be upgraded from analogue to digital. Plans for this work have been prepared for evaluation by our client councils. We extended the scope of the upgrade to allow for integration with the regional council's Water Supply Group, and their Scada operation. We also integrated Porirua's network into our base station, to enable real time monitoring of that city's networks.

LEAK DETECTION AND WATER CONSERVATION

The year to June was the eighth in a row that water consumption has fallen, and was the lowest in about 40 years, despite population growth. This is an outstanding achievement and we expect it to allow for increased flexibility in the timing of investment in additional water storage infrastructure.

Even so, water supply consumption and demand management in Wellington, Hutt, Upper Hutt and Porirua remain critical to keep costs down, meet community outcomes and support the strategic goals of individual councils.

Ongoing leak detection and repair programmes supplement the responses to leaks and bursts by our contractors. Nearly 2,600 toby repairs, and 462 service pipe repairs were made in Hutt City, Upper Hutt and Wellington last year, while callouts to burst mains and rider, or secondary, mains, were down on previous years. Response time targets for attendance to leaks are also intended to ensure water lost through leaks and bursts is minimised. These targets were met for Hutt and Wellington, and only narrowly missed in Upper Hutt.

Capacity has continued to work with Wellington and Hutt city councils on executing their water conservation and efficiency plans, and with Upper Hutt City Council on its established approach of demand management. This activity includes promoting water restrictions and managing and monitoring water patrols during summer, as well as a suite of year-round activity.

We conducted a project directly approaching the largest commercial water users in each city to start a conversation about better managing water consumption. In collaboration with Hutt City Council, we surveyed retailers of whiteware and water fixtures to gauge staff and customer awareness of water conservation and efficiency. We revamped our water conservation demonstrator Aquarius with new design and educational material, and developed promotional shower timers and stickers.

Aquarius appeared at a Wellington home and garden exposition show and similar events. We took it to five schools in the region, providing pupils with the opportunity to discuss, discover and learn about the importance of using water wisely. More detail is provided in the Working with Communities section on page 26.

Three Waters in the Region Water supply

The Wellington region's drinking water comes from four main areas: the headwaters of the Hutt River, the Orongorongo and Wainuiomata rivers, and the Waiwhetu aquifer.

The river water is treated – clarified, filtered, chlorinated and fluoridated – by Greater Wellington Regional Council at its Te Marua (Upper Hutt) and Wainuiomata treatment stations. Aquifer water is extracted, chlorinated and fluoridated at



Waterloo (Lower Hutt) – except for the supply to Petone, which is not fluoridated. 'Bulk' water – typically between 100 and 150 million litres a day – is then delivered to reservoirs in Upper Hutt, Lower Hutt and Wellington, from where it is pumped to other reservoirs in their networks for delivery to customers.



Water from the aquifer meets about 40 per cent of demand, and supplies Wellington's CBD, southern and eastern suburbs, and all of Lower Hutt except Manor Park, Stokes Valley and Wainuiomata. Water from Wainuiomata meets about 20 per cent of daily demand, supplying that suburb and supplementing water from the aquifer for

Wellington. The balance comes from Te Marua supplying Manor Park and Stokes Valley, Porirua and Wellington's northern and western suburbs.

To reduce the risk of reliance on river water – which can be affected by excessive rainwater, when it becomes too dirty to treat, or not enough, when levels get too low – Greater Wellington also has two large storage lakes, at its Te Marua treatment facility. These hold a total of about 3.5 billion litres, and are used to supplement supplies from the aquifer.

Drinking water quality standards are managed by the Ministry of Health, which sets the maximum acceptable values or amounts for substances, organisms, contaminants or residues that may be present. New Zealand water supplies are graded from A1 to E according to water quality and the procedures in place to manage it. An additional grading, from a1 to e, is applied to the distribution network, according to the risk of the water in the network becoming contaminated, and the procedures in place to manage that risk.

Water quality grading is one of the key performance measures set by Capacity's client councils. You can see maps of grading zones in Porirua, Lower Hutt, Upper Hutt and Wellington on our website: Capacity.net.nz/your-water.

WHERE THE WATER GOES

There are three main categories of water usage: residential, commercial, and 'unaccounted for'.

Because we don't have universal water metering in the Wellington region, it is not possible to give exact figures on where the water goes. However, using survey meters and usage patterns from similar cities that are metered, we estimate an average per person consumption at home of 215–230 litres a day.

Unaccounted-for water includes leaks, firefighting, council use such as watering public parks and gardens, and unauthorised use.

These three usage types make up the gross consumption figure.

THE COST OF WATER

Lower Hutt, Porirua, Upper Hutt and Wellington all buy bulk water from Greater Wellington. Each city pays according to the proportion of the total delivered, rather than the actual amount. For 2013–14, the total paid was \$25.6 million.

Leak reduction measures we carry out in each city, such as zone metering, pressure management and leak detection, have contributed to falling water consumption per capita. In addition, response times to leak and burst alerts are closely monitored, and they are a key performance metric for our council clients.

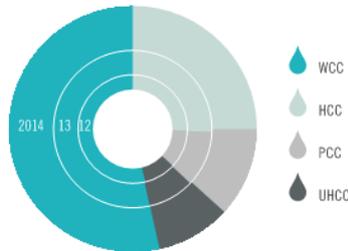
ANNUAL PROGRAMME

Our work in water supply focuses on projects to strengthen, renew or upgrade infrastructure; and managing reactive work to repair bursts or leaks.

In the past year we managed capital works expenditure of \$16.2 million and operational expenditure, including the cost of bulk water, of \$35.5 million. We completed 46 water supply capital works projects for Hutt, Upper Hutt and Wellington cities, against the annual programme of 62. These included pipe replacements, reservoir and network seismic upgrades, and improvements to the Scada remote monitoring network. Incomplete projects were due to funding and timing re-prioritisation, scope changes, and urgent works arising throughout the year.

Cities' share of total bulk water cost

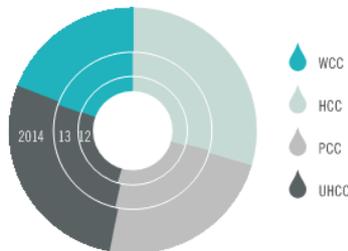
	2012	2013	2014	\$m (2014)
HCC	25.4%	25.6%	25.0%	6.46
PCC	11.5%	11.5%	11.8%	2.98
UHCC	9.4%	9.4%	9.8%	2.46
WCC	53.6%	53.5%	53.4%	13.74



Unaccounted-for water (% of supply)

Unaccounted-for water (UFW) is the difference between metred commercial use and estimated residential use. The major component of UFW is network leakage. Note that the figures here are estimates, as we do not meter every household.

	2012	2013	2014
HCC	18.3	17.7	17.3
PCC	15.6	14.9	14.2
UHCC	16.1	16.2	15.9
WCC	12.2	12.0	11.3



Water use by type (litres per day, per person)

Residential and unaccounted-for water figures are estimates.

	Hutt City Council			Porirua City Council			Upper Hutt City Council			Wellington City Council		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Commercial	54	53	50	51	48	52	64	64	69	106	102	98
UFW	63	60	57	49	46	44	54	54	54	46	44	40
Residential	225	225	220	212	210	212	215	210	212	225	220	220



Water supply capital expenditure by city (\$'000): *forecast

	2010-11	2011-12	2012-13	2013-14	*2014-15
Hutt City	\$1,702	\$2,187	\$1,885	\$2,604	\$2,579
Porirua	\$2,627	\$1,565	\$1,184	\$1,620	\$1,389
Upper Hutt	\$934	\$1,157	\$1,046	\$1,022	\$1,707
Wellington	\$11,257	\$12,224	\$12,170	\$10,983	\$12,294
Total	\$16,520	\$17,133	\$16,285	\$16,229	\$17,969

Length of water supply pipe renewals and upgrades by city



Wastewater

Water that goes down the sinks, drains, showers, baths and toilets of our cities' households, businesses, offices, restaurants, bars, hospitals and schools ends up at one of four treatment plants.



Moa Point (Wellington), Western (Karori), Seaview (Lower Hutt) and Porirua (north Wellington and Porirua) treat some 140 million litres of wastewater a day, using biological and ultraviolet treatment processes. The treated water is then piped via outfall pipes into the sea.

The sludge resulting from filtration and treatment is de-watered (with this water re-entering the treatment plant) and the remaining solid disposed of in landfills. Each of the treatment plants operates under its own resource consent, which permits the discharge of treated wastewater to the sea.

Several key factors affect planning and expenditure on wastewater networks. These include overflow incidents and blockages, network integrity, and treatment capacity.

WASTEWATER OVERFLOWS

Most wastewater networks perform well during dry weather and moderate rainfall. During prolonged, heavy rainfall, the increased inflow from cross-connections – where stormwater drains are mis-connected to wastewater pipes – and infiltration from rising groundwater levels and leaky pipes increases the load on the system. This can lead to overflows from the network.



These conditions can also lead to overflows at treatment plants. In a typical year, there are four to eight wet weather treatment plant overflow incidents a year, depending very much on the weather.

Each overflow incident is reported to the relevant council and interested parties such as environmental and recreational groups.

BLOCKAGES AND TRADE WASTE

As with water conservation and stormwater quality, wastewater also has an element of public responsibility that contributes to network performance. An ongoing cost for councils is that of unblocking pumps clogged up by paper towels, cloths, wipes and other material that should not be flushed. Because it does not disintegrate in the way toilet tissue does, this material causes blockages in public and private drains that can lead to overflows.

Waste from commercial operations, whether a fast-food outlet or a manufacturing plant, is often required to be pre-treated prior to entering the public network. Trade waste management is particularly important because it protects the health and safety of treatment plant operators as well as the general public. It also reduces the load on the network, minimising damage from toxic or damaging material and the risk of blockages. Like the arteries of the human body, wastewater pipes are particularly susceptible to clogging by fat – hence the importance of commercial food premises installing and properly maintaining their own grease traps.

INFLOW AND INFILTRATION

Unlike water supply networks which are pressurised, meaning major leaks generally make themselves known pretty quickly, damage or faults in wastewater and stormwater networks are harder to find.

The consequences of poor connections and damaged pipes – inflow and infiltration – are evident in the massive increases in flows that treatment plants experience during wet weather – up to five times and more that of typical dry weather volumes.

Wet weather overflows from the wastewater system are highly diluted. Nevertheless, they are not desirable. One solution would be to increase the treatment plant capacity, though this would cost tens of millions of dollars. Another is to improve the integrity of both the wastewater and stormwater networks. A third is to undertake a campaign to address the issue of stormwater deliberately diverted into the wastewater network

Protecting the health and safety of people and the environment



Gaining understanding of network performance

cross-connections, as many of these are on private property.

Inflow and infiltration programmes are under way in all cities. Porirua is spending approximately \$2 million a year on the issue. CCTV inspections help us identify faults and get a better understanding of network and material performance to improve planning decisions.

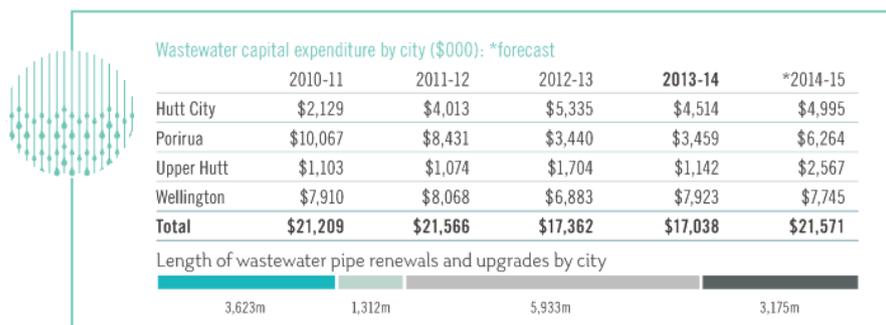
The outcomes of this work are reduced wastewater treatment loads and costs, reduced likelihood of overflows and other inflow and infiltration impacts, and improved investment decision-making.



ANNUAL PROGRAMME

Our annual project work in wastewater focuses on renewing or upgrading infrastructure including pipes, pumps and pump stations, and managing responses to water quality issues, blockages and overflows.

In the past year, we managed wastewater capital works expenditure of \$17 million, and operational expenditure of \$38 million, including wastewater treatment costs. This included 36 capital expenditure projects for Hutt, Upper Hutt and Wellington cities, against a planned total of 36. Programme changes meant an increased number of projects were completed within the existing budget.



- WCC
- HCC
- PCC
- UHCC

Stormwater

City stormwater networks include both natural water courses and the built drains, sumps, pipes and pump stations that help channel rainwater off our streets and away from buildings.

Because it is untreated before entering streams, rivers and the sea, stormwater run-off presents a major challenge in urban environments, as well as in rural areas.

Rain flushes roads and other hard surface areas into receiving environments including coastal waters, meaning they can be adversely affected by contaminants and bacteria from chemicals, litter, debris and animal faeces.

In addition, some people still treat stormwater drains as waste disposals, and deliberately tip waste material and detergents into street-side gutters or sumps, polluting the environment.

In extreme rain events, or due to system failure such as blockages, excess stormwater can cause flooding and have potentially devastating and costly effects. Climate change studies suggest there are two significant areas of impact likely to affect stormwater network performance.

Firstly, reports indicate Wellington faces a sea-level rise of up to a metre over the next 100 years. For stormwater pipes that discharge into rivers and the sea, rising sea levels means they might not function as effectively as they do now. This increases the risk to people, property and the environment.

Secondly, climate change is likely to see more intense weather events such as isolated, extremely heavy rainfall. This can quickly overload networks or cause blockages, leading to flooding that disrupts traffic, damages homes and businesses, and once again put human health and safety at risk.

As awareness of these issues increases, so do community expectations around stormwater network performance. Yet many stormwater pipes already in the ground were built to perform to lower standards, to cope with storms expected once every six or seven years, rather than once every 50.

On top of all this, the government has recently updated the National Policy Statement for Freshwater Management. From 1 August 2025, all councils will be required to meet or exceed "national bottom line" fresh water quality values, and must maintain or improve water quality within their regions. In addition, councils are required to take a more integrated approach to the relationship between fresh water and coastal impacts.

Stormwater management is thus a key item for city council infrastructure planning and budgeting – and, as with drinking and wastewater, it is also an area where public responsibility plays a role.

INTEGRATED STORMWATER CATCHMENT MANAGEMENT PLAN

As noted, councils are increasingly expected to take an integrated approach to freshwater quality, and its impact on coastal waters. This year we completed stage one of Wellington City Council's integrated catchment management plan, which focuses on precisely this issue.

Stage one involved identifying catchments and finding out what was going on within them that might affect stormwater quality, including, ecosystem health and human recreational values. Relevant factors include recreational activities, amenity values, receiving environment characteristics, existing contamination issues, the effects of flooding, potential wastewater contamination of stormwater, and future growth.

The next stage involves preparing detailed management plans for five coastal catchments. These will aim to achieve council objectives and those of the national policy statement, to maintain and improve water quality.

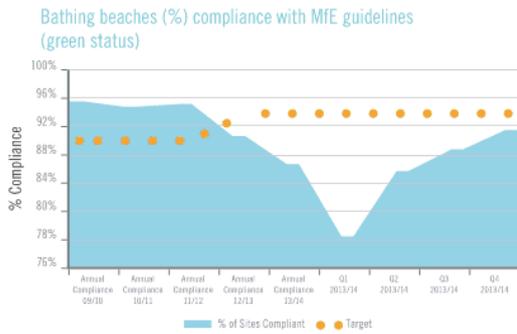
ANNUAL PROGRAMME

Our work in stormwater focuses on projects to improve capacity and address flooding issues, and replace managing reactive work to repair bursts or leaks.

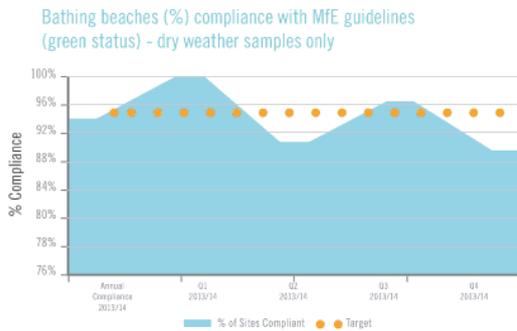
In the past year, we managed stormwater capital works expenditure of \$6.9 million, and operational expenditure of \$10.2 million. We completed 25 capital expenditure projects for Hutt, Upper Hutt and Wellington cities, against a planned programme of 26. This included deferral of four and adding five new projects for Wellington, all completed within the overall budget.

Water quality samples are taken at bathing beaches weekly during summer, and monthly during winter. The dry weather sampling data illustrate the effect of rain washing contaminants into the receiving environment. In most cases, re-sampling required by a high bacteria count shows levels have returned to normal three or four days after heavy rainfall.

Bathing beaches compliance with Ministry for the Environment guidelines (% of samples taken)



Water quality at bathing beaches is monitored weekly during summer, monthly during winter. In Quarter One – July to September – the test results are easily skewed by wet weather impacts. Excluding weather-affected results (below) shows 93% of tests complied with Ministry for the Environment guidelines. Last summer, no beaches were closed during the summer period.



An integrated approach to stormwater quality



Below: Shoring protects Tasman Street stormwater work six metres below ground level.



Stormwater capital expenditure by city (\$'000): *forecast

	2010-11	2011-12	2012-13	2013-14	*2014-15
Hutt City	\$1,141	\$3,809	\$2,566	\$1,012	\$1,640
Porirua	\$828	\$676	\$647	\$921	\$579
Upper Hutt	\$305	\$1,609	\$733	\$751	\$100
Wellington	\$5,040	\$4,001	\$2,564	\$4,193	\$4,255
Total	\$7,314	\$10,095	\$6,510	\$6,877	\$6,574

Length of stormwater pipe renewals and upgrades by city

City	Length (m)
Wellington	1,011m
Upper Hutt	10m
Porirua	551m
Hutt City	183m

- WCC
- HCC
- PCC
- UHCC

Three Waters Performance Indicators

Hutt City Council

MEASURE	TARGET	RESULT
• Residents' satisfaction with service : water supply <i>(measured by independent survey)</i>	95% of respondents	✓ 96.0%
: wastewater	95% of respondents	✓ 96.0%
: stormwater	80% of respondents	✓ 84.0%
• Provide a reliable service : water supply	< 4 unplanned supply cuts	✓ 1.87
: wastewater	< 1.2 wastewater incidents per km/network	✓ 0.68
: stormwater	< 0.5 stormwater incidents per km/network	✓ 0.09
• Respond promptly to disruptions to : water supply	97% meet A and B response time targets for	✓ 99.1%
: wastewater	Priority One activities (on-site within one hour)	✓ 98.8%
: stormwater		✓ 97.2%
Water Supply		
• Compliance with New Zealand Drinking Water Standards	Full compliance	✓ 100%
• Quality of drinking water	Maintain at least a 'b' grading (satisfactory, very low level of risk) across all distribution	✓ b
• Maintain the average unmetered water consumption	< 350L per head per day	✓ 220L
Wastewater		
• No resource consent related infringement notices received from GWRC	100% compliance	✓ 0
Stormwater		
• Achieve water quality at main recreational beaches	90% of sampling days when water quality meets Ministry guidelines 53 of 61	△ 83.0%

Porirua City Council

MEASURE	TARGET	RESULT
• Reduce the number of maintenance requests per 1000 households relating to the : water supply network	81	✓ 18.0
: wastewater network	24	✓ 23.7
: stormwater network	15	✓ 12
• Reduce % estimated unaccountable water lost through : water supply network	18%	✓ 17%
: wastewater network	1%	✓ 1%
• Maintain the number of Council initiatives to : secure adequate water supply into the future	7	✓ 7
: contain stormwater at source, reduce peak flows and ensure future capacity	7	✓ 7
: preserve future capacity in wastewater network	7	✓ 7
Water supply		
• Reduce the number of major water reticulation breakage incidents per 100km of network per year	80	✓ 17.53
• Maintain random tests throughout the city to ensure that the water supply is safe to drink	100%	✓ 100%
• Improve compliance with minimum firefighting standards for fire hydrants tested during the year	92%	✓ 100%
Wastewater		
• Maintain compliance with resource consent conditions of the Wastewater Treatment Plant	100% compliance <i>Plant capacity issues during and after heavy rain resulted in consent limits being exceeded</i>	△ 91%
• No discharges to the sea to bypass the Wastewater Treatment Plant screen and UV treatment	0 <i>Overflow from aeration basin in October 2013</i>	△ 1
• Ratio of peak wet weather flow to average dry weather flow (indicating amount of stormwater entering wastewater network)	Install calibrated flow meters to set baseline for 2015-16 target	✓ 8
Stormwater		
• No residential, commercial or public buildings affected by the entry of floodwater during storm events	0	✓ 0
• Introduce a bylaw to control pollutants at source	Develop bylaw <i>Bylaw will be developed after GWRC adopts regional plan in late 2014</i>	△

✔ Achieved △ Not achieved

Upper Hutt City Council

MEASURE	TARGET	RESULT	
• Minimise interruptions to : water supply	97% service restored within 2 hours <i>Repairs to three bursts exceeded the 2 hour limit in Q4.</i>	△	93.0%
: wastewater	95% service restored within 6 hours	✔	100%
Water Supply			
• Compliance with New Zealand Drinking Water Standards	Maintain A1a grading	✔	
• Community satisfaction with water supply service	95% satisfied or very satisfied	△	94.0%
Wastewater			
• Minimise number of blockages	< 2 blockages per km of network	✔	0.54
Stormwater			
• Preventative measures are undertaken to ensure that no flooding occurs within habitable buildings during a 1 in 50 year rainfall event	0	✔	0

Wellington City Council

MEASURE	TARGET	RESULT	
• Customer satisfaction with : water quality and supply	95%	✔	99.0%
: wastewater network	90%	✔	100%
: stormwater network	85%	✔	100%
• Response time to service requests: water supply network	97% meet A and B response time targets for Priority One activities (on-site within one hour)	✔	99.3%
: wastewater network	95%	✔	95.4%
: stormwater network	95%	✔	98.0%
• Residents agree service provides good value for money			
: water supply	90%	✔	96.0%
: wastewater	75%	✔	94.0%
: stormwater	75%	✔	93.0%
Water Supply			
• Compliance with New Zealand Drinking Water Standards	100%	✔	100%
• Limit complaints about water quality, taste and odour	< 200	✔	196
• Properties with appropriate water pressure (> 250kPa)	97%	△	96.3%
• Fire hydrants meet NZFS Code of Practice (supply)	95%	✔	99.7%
• Water distribution network (quality grading)	Graded a to b	✔	
• Reduce % unaccounted-for water from the network	14%	✔	11.3%
• Residential water consumption (litres/person/day)	290L (defined as total supplied less commercial metered usage)	✔	264L
• Total annual city water consumption	< 30 billion litres	✔	26.3BL
Wastewater			
• Freshwater sites within acceptable bacteria counts (<i>E.coli</i>)	95% of monitored freshwater sites have an annual median <i>E.coli</i> <1000 per 100mL. <i>Investigations and a programme of repairs and renewal are in place to address a trend of decreasing water quality.</i>	△	85%
• Sewage network is resource consent compliant	100%	✔	
Stormwater			
• No flooding occurs within habitable buildings during a 1 in 50 year rainfall event	0	△	5
• Bathing beaches compliance with Ministry guidelines	95% of sampling days when water quality meets Ministry guidelines (green status) <i>Re-sampling indicated recent rainfall was the main contributing factor to samples exceeding guidelines</i>	△	85%
• Resource consent compliance, including monitoring of overflows, outfall discharge and coastal water quality	100%	✔	

Our Board



From left: Ian Hutchings,
Sarah Free, Raveen Jaduram,
David Bassett, Nicki Crauford,
Colin Crampton, John Strahl,
Wayne Guppy.

John Strahl (Chairman) is an experienced commercial lawyer with extensive experience in local government commercial work as well as expertise in the financial services sector. John has provided advice on corporate governance and trust structuring for local authorities including the establishment and funding of Westpac Stadium. He joined the Board in 2009.

David Bassett JP is Deputy Mayor of Hutt City Council. David has a long career in managing organisations to achieve optimum profitability through the effective use of business assets and human resources. He is a former chief executive of commercial law firm Rudd Watts & Stone and executive director of the New Zealand branch of management consulting practice Cull Egan Dell.

Dr Nicola Crauford has a PhD in engineering from the University of Southampton. Nicki is a former general manager of strategic services at the national electricity grid, Transpower, CEO of the Institute of Directors, and deputy CE of IPENZ. She currently works as a senior consultant with WorleyParsons, and is a director of Watercare Services, the Environmental Protection Authority and Orion Energy. Nicki also chairs the Wellington Rural Fire Authority.

Sarah Free has an electrical engineering degree and postgraduate qualifications in teaching and public health. She has worked for several years as a residential energy consultant, providing advice on both energy and water usage. Sarah is a Wellington City Councillor and a member of the Electricity Authority's Retail Advisory Group.

Wayne Guppy was first elected to the Upper Hutt City Council in 1998. He was elected Mayor in 2001 and has retained that position since then. He has a Doctor of Pharmacy degree from the University of Nebraska, lectured at the School of Pharmacy, and has owned community pharmacies in Upper Hutt.

Ian Hutchings joined the Board in July 2009. Ian is a professional engineer and, prior to 2004, served 12 years as a Wellington City councillor where he had responsibility for the Finance and the Transport and Infrastructure portfolios. Ian is employed in the Ministry of Business, Innovation and Employment's Resources, Energy and Communications branch, specialising in policy advice on use of the radio frequency spectrum. He also chairs the Hutt Mana Charitable Trust and represents the Trust's north Wellington area.

Raveen Jaduram, is chief executive (acting) at Auckland Council-owned Watercare Services Ltd. He re-joined Watercare in July 2013 as General Manager Maintenance Services, after serving as managing director and chief executive of Murrumbidgee Irrigation, a private water company in Australia. Prior to that, Raveen was chief operating officer at Watercare, during the 2010 amalgamation of local government. He has over 25 years' experience in the water industry.



Nick Leggett is the mayor of Porirua City. He has a BA in Politics from Victoria University and worked in commercial property prior to his election as mayor in 2010.

Our Leadership Team



Colin Crampton, CEO. Colin is responsible for leading the company to achieve the regional goals our client councils require of us. His focus is on developing the company's capability so it can deliver on its strategy and the

various water, wastewater and stormwater services across the region. He is also responsible for the relationships we have with our client councils and leads work aimed at integrating Greater Wellington's Water Supply Group into the company.

Colin started at Capacity in January 2014. Prior to joining Capacity he was the group manager of Highways and Network Operations at the New Zealand Transport Agency.



Jetesh Bhula manages Capacity's asset development and programme management group's activities. These include developing and implementing works

programmes, investigations, water quality monitoring, subdivisions, project management and water supply modelling for each client council.



Janet Dobbie manages the corporate services team, with overall responsibility for finance and accounting, human resources, IT, and records and information management. Janet has previously held senior

positions in the private and public sectors.



Yon Cheong manages the team responsible for the long term planning of our clients' infrastructure assets. This includes regional service delivery planning, strategic planning, asset management planning,

developing optimised investment programmes and strategies, and meeting Resource Management Act obligations.



Gary O'Meara manages operations and maintenance works to support operating, maintaining and upgrading our clients' water service networks, as well as the Porirua Wastewater Treatment

Plant. He is also responsible for our emergency management planning.



Gunther Wild manages delivery of business monitoring, reporting and improvement, health and safety, risk management, communications and relationship management for Capacity. Gunther's

group also provides Board secretariat services and prepares the company's key accountability documents.

Our Structure



Our Strategy

Capacity's purpose: To create excellence in regional water services for healthy communities.



Capacity's Strategic Services Annual Report 2013-14

Working with Communities

Stakeholder relationships and customer care are key elements of our strategy to build our capability and reputation as a trusted advisor to our clients.

To support this strategy, in the past year we identified our client and customer relationships and established key stakeholder groupings. We then assigned relationship managers, developed reporting structures and prioritised issues and areas to work on for key groups.

In addition to our client councils, key groups included contractors and consultants we work with to deliver council work and maintenance programmes, compliance bodies, and 'guardians'. Guardians include groups with specific interests relating to water quality, water use, or other areas impacted by three waters' management.

We held inaugural meetings with suppliers and received positive feedback on the forum as a way to share market conditions and programme issues. We also established a relationship, meeting and activity framework with the consents team at Greater Wellington Regional Council. We look forward to being able to report in more detail on targets, priorities and progress of individual stakeholder relationships in future years.

COMMUNITY ENGAGEMENT

As part of our existing work for clients, we actively engage with different sectors of the community over specific interests.

The stormwater consultative committee meets once a quarter to provide a forum for information on work relating to Wellington City Council's global stormwater consent. This year we welcomed five new members of the committee,



to replace resignations. The integrated catchment management plan we are preparing for Wellington is also a requirement of the global consent.

Communicating with catchment-specific communities over water quality issues is part of this work. Over the past year we developed and distributed communications to tradespeople and DIY stores in the city to raise awareness of issues such as cross-connections. We visited 162 sites in the Gracefield industrial area to speak with owners and tenants about potential stormwater contamination sources. We included messages about contamination on letters to households where we were carrying out renewal work, and followed up with a survey that indicates awareness increased in about 40% of cases.

We met with Ngati Toa and Port Nicholson Block / Wellington Tenth Trust representatives, to familiarise iwi groups in the region with the nature and scope of this work.

We also manage community liaison groups that relate to the operation of Wellington's wastewater treatment plants at Moa Point and Western Karori. We are required to meet once a year with each group. Last year we met once with the Western Karori group and twice with the Moa Point group. We also held a public meeting to present the findings of research into the environmental impact of wet weather overflows on marine fauna and beach users.

With support of the Western Karori group, we are working on an application for a global consent for maintenance work on the outfall pipe, something which should both improve the efficiency and reduce the cost of this activity.

The other major area of community involvement Capacity undertakes is in promoting awareness and behaviour change in water conservation. While the Greater Wellington Regional Council is tasked with promoting conservation to reduce demand during summer, our councils are interested in effecting long term, sustainable, year-round water savings.

As noted on page 12, our activity in this area is structured through formal plans agreed with the Wellington and Hutt city councils, and through supporting other council programmes. It ranges from sending water restriction flyers to approximately 130,000 households in the region, to organising billboard advertising and water patrols, to developing marketing collateral such as shower timers.

EDUCATION ON WATER ISSUES

We also put considerable effort into the development and promotion of our demonstration unit, Aquarius. This stand alone device is available free to schools in the region, and also to events and groups that promote sustainable living and environmental awareness.

Aquarius offers school users the opportunity to directly explore and understand water use at home and in school, and the impact that individuals, including children, can have. It provides children with real world problem solving challenges that develop mathematical and statistical skills, as well as building an understanding about the infrastructure beneath their streets.

At events and sustainability displays, Aquarius provides a starting point for conversations about using water efficient devices, and practical advice on how to use water wisely.

While community education is not an activity for which we are specifically resourced, we recognise the importance of a holistic approach, presenting three waters issues in the context relevant to the specific audiences we are dealing with.

As our merged organisation and our relationship strategy takes shape, there will likely be increased opportunity to develop a programmed approach to community engagement, targeting specific interests, issues and interventions.

We anticipate this will include developing closer relationships with learning networks, particularly those with connection to Māori education. We will also encourage staff to participate in volunteer community support activity.

We expect to be able to better track and report on customer experience of our services, working with the new shared IT service provider created by several Wellington region councils.



Promoting awareness and behaviour change



Capacity & Infrastructure Services - Annual Report 2013-14

Our People

Becoming a high performing organisation and a trusted advisor to our clients are key strategic priorities. To help deliver on these, we developed a People Plan, which identified three themes to help build a high performing organisation.

STAFF NUMBERS



- 1 Growing our leadership capability
- 2 Demonstrating our values and behaviours
- 3 High performing organisation

We'll measure our progress on these themes by what we do and how we do it, using evidence from culture, engagement and leadership surveys, and shareholder and customer feedback. Our new results sheets and personal development plans will give staff members clarity about their work priorities and how they are expected to deliver them.

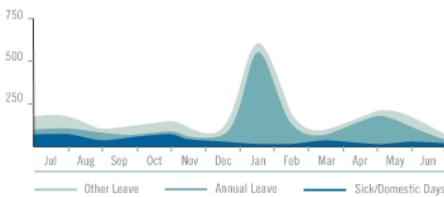
UNPLANNED TURNOVER



To track growth we'll use softer measures to gauge the feel of the office, ease with which we work together, and meeting effectiveness.

With the merger on the near horizon, this year we looked to collaboration as the key interpersonal skill necessary for a regional water entity. In September 2013, a new intranet was launched to support collaboration and engagement across the business. Named "The Source", the intranet features profiles on each staff member, polls, knowledge sharing, and the ability for any staff member to personalise their home page, post new features and comment on articles.

LEAVE DAYS



Our staff awards continued to promote and reward effective behaviours at monthly staff meetings. The award category that received the most nominations was the 'Above and Beyond' award.

In May and June 2014, 84% of staff completed the Human Synergistics workplace culture and leadership survey, the third one we have completed in four years. The results showed that our strongest cultural style has moved from defensive, avoidance-based behaviours to the more productive and constructive cluster of encouragement and achievement.

LEAVE LIABILITY



Capacity average sick days 2013-14: **6.0** Public sector average: **7.9** Are our sick days better than the benchmark? **YES**

The results were hugely encouraging for staff who have worked hard over the last four years to move towards our preferred working style. It puts us in a good place to adapt and move ahead with new workplace models and structures.

Health and Safety, and Risk Management

In mid-2013 the Government announced a major reform of workplace health and safety. This included establishing a new entity, Work Safe NZ, and overhauling the law.

In response to legislative changes likely next year, we presented to our Board a number of actions to ensure we are at the forefront of best practice health and safety policy, systems and practice.

During the year both staff and our Board were involved in developing a policy that represents a best-in-class approach to health and safety. We have created a full-time health and safety manager role that reports directly to the chief executive. This new staff member will be charged with implementing the majority of actions agreed with the Board, as well as growing our health and safety culture and improving and maintaining our health and safety systems – both internally and with our consultants and contractors.

RISK MANAGEMENT

In 2013-14 we developed a new risk management framework and processes to ensure our governance and management teams have a better understanding of the risks facing the business and the work being done to manage them. The framework complies with AS/NZS ISO 31000:2009 and was peer-reviewed by an external risk expert.

We also developed a risk register, based on the framework. The register will continue to be refined through into the 2014-15 year. It categorises risks under the following categories:

• Strategic	Risk arising from the external environment and associated with the achievement of Capacity's strategic objectives.
• Organisational	Risk associated with the functioning of Capacity as an organisation on a day-to-day basis.
• Organisational Key Performance Indicators	Risk associated with the organisational KPIs Capacity is required to achieve.
• Activity	Risk associated with achieving the outcomes required from Capacity's management of the three waters activities.

• Operational	Risk associated with activities carried out by Capacity staff and contractors, and with infrastructure managed by Capacity.
• Health and safety	Risk associated with the achievement of our health and safety vision that "our people, suppliers and affected parties go home healthy and safe."
• Project	Risk associated with the planning and delivery of Capacity projects.

Our new risk procedures require all groups to actively maintain their risk profiles and discuss risks, their treatment programmes, and to report on them at a leadership level on a monthly basis.

We report risks quarterly and any newly identified extreme risk in real time with our Board.

We discuss the treatment programmes to mitigate those extreme risks at each Board meeting.

This approach ensures that our Board and leadership team have a better understanding of what work is being done across the organisation to manage the inherent uncertainties surrounding the achievement of Capacity's objectives, and the delivery of value to our shareholders.



Governance

Capacity is a council-controlled trading organisation as defined by section 6 of the Local Government Act 2002. It is 100% owned by the Hutt, Porirua, Upper Hutt and Wellington city councils. Each council is entitled to appoint one director, and to jointly appoint additional independent directors, subject to the maximum number of directors permitted under the company's constitution.

Our activity is governed by the Companies Act 1993 and the laws and accepted standards of New Zealand for company reporting and performance.

Capacity's principal objective is to help its client councils achieve their objectives relating to water services. Each council determines its own policy and objectives in these areas, through the long term plans they prepare in consultation with their communities.

BOARD OF DIRECTORS

The function of the Board is to provide stewardship and guidance to the company in achieving its objectives. The Local Government Act states the principal objective of a council-controlled organisation is to:

- a) achieve the objectives of its shareholders, both commercial and non-commercial as specified in the statement of intent
- b) be a good employer
- c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the company operates and by endeavouring to accommodate or encourage these when able to do so
- d) conduct its affairs in accordance with sound business practice.

To do this, the Board must collectively have relevant knowledge and experience of finance, water services, public bodies, the Wellington region, the environment and resource management. Directors must also have appropriate skills to contribute to relevant plans and strategies of the shareholders in respect of the management and provision of water services.

Board performance reviews are undertaken annually.

Capacity's Board of Directors consists of eight members. To ensure continuity of relevant knowledge, skills and experience, the expiry dates of directors' terms vary, with each director serving a maximum of six years.

INFORMATION TO BE PROVIDED TO SHAREHOLDERS

Capacity complies with the reporting requirements of the Local Government Act 2002 and the Companies Act 1993 and regulations. In particular we provide:

1. A statement of intent detailing all matters required under the Local Government Act 2002, including financial information for the next three years.
2. Within two months after the end of the first half of each financial year, a report on our operations to enable an informed assessment of our performance, including financial statements (in accordance with section 66 of the LGA 2002).
3. Within three months after the end of each financial year, an annual report which provides a comparison of our performance with the statement of intent, with an explanation of any material variances, audited consolidated financial statements for that financial year, and an auditor's report (in accordance with sections 67, 68 and 69 of the LGA 2002).

We also report quarterly to clients on service performance. This fulfils requirements under the Local Government Act and our service agreements, enabling council officers to report on expenditure, service performance and project progress. Key service level agreement areas, such as response times, appear as key performance indicators, and are covered in detail in this report.

Directors' remuneration

This information is reported in the notes to the financial statements.

Directors' and Employees insurance

The company has taken insurance for directors and employees in respect of any liability for any act or omission in his or her capacity as a director or employee.

Donations

There were no donations made during the year.

Auditor

The auditors are appointed under Part 5, Section 70 of the Local Government Act 2002. Audit New Zealand has been appointed by the Auditor-General to provide these services.

Financial Statements

2014

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Capacity Infrastructure Services Limited's financial statements and statement of service performance for the year ended 30 June 2014

The Auditor-General is the auditor of Capacity Infrastructure Services Limited (the company). The Auditor-General has appointed me, J.R Smail, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the company on her behalf.

We have audited:

- the financial statements of the company on pages 34 to 51, that comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the company on page 9.

Opinion

Financial statements and statement of service performance

In our opinion:

- the financial statements of the company on pages 34 to 51:
 - comply with generally accepted accounting practice in New Zealand; and
 - give a true and fair view of the company's:
 - financial position as at 30 June 2014; and
 - financial performance and cash flows for the year ended on that date.
- the statement of service performance of the company on page 9:
 - complies with generally accepted accounting practice in New Zealand; and
 - gives a true and fair view of the company's service performance achievements measured against the performance targets adopted for the year ended 30 June 2014.

Other legal requirements

In accordance with the Financial Reporting Act 1993 we report that, in our opinion, proper accounting records have been kept by the company as far as appears from an examination of those records.

Our audit was completed on 23 September, 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement

of the financial statements and statement of service performance whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the company's financial statements and statement of service performance that give a true and fair view of the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. Also we did not evaluate the security and controls over the electronic publication of the financial statements and statement of service performance.

In accordance with the Financial Reporting Act 1993, we report that we have obtained all the information and explanations we have required. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the company's financial position, financial performance and cash flows; and
- give a true and fair view of its service performance.

The Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the publication of the financial statements and statement of service performance, whether in printed or electronic form.

The Board of Directors' responsibilities arise from the Local Government Act 2002 and the Financial Reporting Act 1993.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board. Other than the audit, we have no relationship with or interests in the company.



J.R. Smaill
Audit New Zealand
On behalf of the Auditor-General Wellington, New Zealand

Statement of Comprehensive Income

For the year ended 30 June 2014

	Note	Actual 2014 \$000	Budget 2014 \$000	Actual 2013 \$000
REVENUE				
Operations		8,981	8,981	7,591
Recovered Expenditure Income	19	4,204	7,507	0
Interest		96	82	29
TOTAL REVENUE		13,281	16,570	7,620
EXPENDITURE				
Operational expenditure		5,730	8,413	1,098
Audit fees		40	32	35
Directors fees	13	114	123	105
Depreciation / amortisation	6	116	124	75
Interest		1	2	1
Rental and operating lease costs		540	573	545
Personnel expenditure	14	6,684	7,189	5,787
Total expenditure		13,225	16,456	7,646
NET SURPLUS/(DEFICIT) BEFORE TAXATION		56	114	(26)
Tax benefit/(expense)	4	(18)	0	79
NET SURPLUS/(DEFICIT) AFTER TAXATION		38	114	53
Other comprehensive income		0	0	0
TOTAL COMPREHENSIVE INCOME		38	114	53
Total comprehensive income attributable to:				
Wellington City Council		19	114	27
Hutt City Council		9	0	26
Upper Hutt City Council		4	0	0
Porirua City Council		6	0	0
Total		38	114	53

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2014

	Actual 2014 \$000	Actual 2013 \$000
Net surplus/(deficit) for the year	38	53
TOTAL COMPREHENSIVE INCOME	38	53
Equity balance at 01 July	416	363
Share capital	200	0
EQUITY BALANCE AT 30 JUNE	654	416

The accompanying notes form part of and are to be read in conjunction with these financial statements.

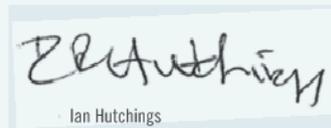
Statement of Financial Position

As at 30 June 2014

	Note	Actual 2014 \$000	Budget 2014 \$000	Actual 2013 \$000
CURRENT ASSETS				
Cash and cash equivalents		3,781	2,255	814
Trade and other receivables	7	784	460	1,067
Provision for income tax		16	0	(9)
		4,581	2,715	1,872
NON CURRENT ASSETS				
Intangible assets	6	153	130	64
Property, plant and equipment	6	130	116	123
Deferred tax asset	5	117	0	92
		400	246	279
TOTAL ASSETS		4,981	2,961	2,151
CURRENT LIABILITIES				
Trade and other payables	8	3,754	1,940	1,293
Employee entitlements	9	573	291	442
TOTAL LIABILITIES		4,327	2,231	1,735
NET WORKING CAPITAL		654	730	416
EQUITY				
Share capital	10	800	800	600
Retained earnings	11	(146)	(70)	(184)
TOTAL EQUITY		654	730	416



John Strahl
Chairman



Ian Hutchings
Director

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of Cash Flows

For the year ended 30 June 2014

	Note	Actual 2014 \$000	Budget 2014 \$000	Actual 2013 \$000
CASH FLOW FROM OPERATING ACTIVITIES				
<i>Cash was provided from:</i>				
Operating receipts		13,740	16,162	7,842
Bank interest received		96	82	29
Income tax received (net)		0	0	0
<i>Cash was disbursed to:</i>				
Payments to suppliers and employees		(10,410)	(14,565)	(7,319)
Income tax paid (net)		(68)	0	(2)
Interest paid		(1)	0	0
GST paid		(380)	(335)	(18)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	15	2,977	1,344	532
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Cash was applied to:</i>				
Purchase of property, plant and equipment		(32)	(10)	(68)
Purchase of intangible assets		(178)	(93)	(29)
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES		(210)	(103)	(97)
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Cash was provided from:</i>				
Shares issued		200	200	0
<i>Cash was applied to:</i>				
		0	0	0
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		200	200	0
Net increase/(decrease) in cash and cash equivalents		2,967	1,441	435
Opening cash balance		814	814	379
CLOSING CASH BALANCE		3,781	2,255	814

Note: The GST (net) and income tax (net) components of cash flows from operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST and income tax components have been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2014

1. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with New Zealand's generally accepted accounting practices. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Reporting entity

Capacity Infrastructure Services Limited, trading as Capacity, is a company registered under the Companies Act 1993 and a council-controlled trading organisation as defined by Section 6 of the Local Government Act 2002. It was incorporated in New Zealand in 2003 as Wellington Water Management Limited and changed its name in July 2009. Wellington City Council and Hutt City Council agreed to include Upper Hutt City Council and Porirua City Council as new shareholders in the business. The new Shareholders' Agreement and Constitution were signed with effect from 01 November 2013.

The financial statements have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002.

For purposes of financial reporting, Capacity is a public benefit entity.

Reporting period

The reporting period for these financial statements is the year ended 30 June 2014. The financial statements were authorised for issue by the Board of Directors on 23 September 2014.

Specific accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The measurement basis applied is historical cost. The accrual basis of accounting has been used unless otherwise stated. These financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless otherwise stated.

Standards, amendments and interpretations issued but not effective that have not been early adopted

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments:

Recognition and Measurement. NZ IAS 39 is being replaced in three phases: Phase 1 Classification and Measurement, Phase 2 Impairment methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and published in the new financial instrument standard NZ IFRS 9. The new standard is required to be adopted for the year ended 30 June 2016. However as a new accounting standards framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework developed by the External Reporting Board based on a multi-sector, multi-tier approach. The new framework applicable to Capacity was issued in May 2013 and is effective for periods beginning on or after 1 July 2014. Early adoption is not permitted. Capacity has not assessed the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the External Reporting Board has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Judgements and estimations

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Where material, information on the major assumptions is provided in the relevant accounting policy or will be provided in the relevant note to the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes.

a) Revenue

Capacity derives revenue from its customers. In 2013/2014 the customers were shareholder councils Wellington City Council, Hutt City Council, Upper Hutt City Council, with Porirua City Council joining in from November 2014.

From July to October, Upper Hutt City Council was on a contracted service, and shareholders Wellington and Hutt City shared the remaining cost through a time sharing calculation consistent with those of prior years.

At the introduction of the outcome-based model in November 2013, standard charges were predetermined and agreed with the client councils. Revenues were billed and recognised monthly.

b) Expenses

Expenses are recognised on an accrual basis when the goods or services have been received.

c) Taxation

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax and deferred tax is charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

d) Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

e) Financial instruments

Capacity classifies its financial assets and financial liabilities according to the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Non-derivative financial instruments

Financial assets

Capacity classifies its investments into the following categories: financial assets at fair value through profit and loss and loans and receivables.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. Trade and other receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, and call deposits with up to three months' maturity from the date of acquisition. These are recorded at their nominal value.

Financial liabilities

Capacity classifies its financial liabilities into the following categories: financial liabilities at fair value through profit and loss or other financial liabilities.

Financial liabilities comprise trade and other payables. Financial liabilities with duration more

than 12 months are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised in the Statement of Comprehensive Income as is any gain or loss when the liability is derecognised. Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

f) Property, plant and equipment

Recognition

Property, plant and equipment consist of operational assets. Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it is reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Statement of Comprehensive Income.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all property, plant and equipment, except for assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The useful lives and depreciation rates of the major classes of property, plant and equipment are as follows:

Furniture and Office Equipment	2-14 years (7.00-48.00 per cent)
Plant Equipment	3-10 years (10.00-36.00 per cent)

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance date.

Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

g) Intangible assets

Acquired intangible assets are initially recorded at cost.

Intangible assets with finite lives are subsequently recorded at cost, less any amortisation and impairment losses. Amortisation is charged to the Statement of Comprehensive Income on a straight-line basis over the useful life of the asset. The estimated useful lives and depreciation rates of these assets are as follows:

Computer software	2 ½ to 5 years (18.60 to 40.00 per cent)
-------------------	---

Realised gains and losses arising from disposal of intangible assets are recognised in the Statement of Comprehensive Income in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss is recognised. Losses resulting from impairment are reported in the Statement of Comprehensive Income.

h) Employee benefits

A provision for employee benefits (holiday leave) is recognised as a liability when benefits are earned but not paid.

Long-service leave and retirement gratuities have been calculated on an actuarial basis based on the likely future entitlements accruing to staff, after taking into account years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and other contractual entitlements information. This entitlement is not offered to new Capacity employees. The present value of the estimated future cash flows has been calculated using an inflation factor and a discount rate. The inflation rate used is the annual Consumer Price Index to 31 March prior to year end. The discount rate used represents the company's average cost of borrowing.

Holiday leave is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) and 16(4) of the Holidays Act 2003.

i) Other liabilities and provisions

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

j) Equity

Equity is the shareholders' interest in the entity and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within the entity. The components of equity are share capital and retained earnings.

k) Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are charged as expenses in the Statement of Comprehensive Income in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income as an integral part of the total lease

payment. Leases which effectively transfer to the lessee substantially all the risks and benefits incident to ownership of the leased item are classified as finance leases.

l) Superannuation Schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver and other cash accumulation schemes are recognised as an expense in the surplus or deficit as incurred.

m) Related Parties

A party is related to Capacity if:

- directly or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with, Capacity
 - has an interest in Capacity that gives it significant influence over the control of the company
 - has joint control over Capacity
- the party is an associate of Capacity
- the party is a member of key management personnel of Capacity
- the party is a close member of the family of any individual referred to above
- the party is an entity controlled jointly or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to above

Directors' remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to a Director during the reporting period. Directors' remuneration does not include reimbursement of legitimate work expenses or the provision of work-related equipment such as cell phones and laptops.

n) Budget Figures

The budget figures are derived from the statement of intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

2. CHANGES IN ACCOUNTING POLICIES

Except for the change in revenue recognition discussed in item (a) of the preceding judgement and Estimations, there are no other changes in accounting policies. All policies have been applied on a consistent basis with those used in the previous year.

3. NATURE OF THE BUSINESS

Wellington City Council and Hutt City Council together with new shareholders Upper Hutt City Council and Porirua City Council incorporated Capacity to manage water, stormwater and wastewater services for the four cities. The four councils continue to own their respective water service assets and to separately determine the level and standard of service to be provided.

4. INCOME TAX

Income tax expense	2014 \$000	2013 \$000
Current tax expense		
Current year	56	17
Prior period adjustment	(12)	(5)
	44	12
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	(26)	(9)
Change in unrecognised temporary differences	0	0
Recognition of previously unrecognised tax losses	0	(82)
	(26)	(91)
Tax expense - net	18	(79)
Reconciliation of effective tax rate		
	2014 \$000	2013 \$000
Surplus/(Deficit) for the period excluding income tax	56	(26)
Prima facie income tax based on domestic tax rate	16	(7)
Effect of non-deductible expenses	17	12
Effect of tax exempt income	0	0
Effect of tax losses utilised	0	9
Current year's loss for which no deferred tax asset was recognised	0	0
Deferred tax assets not previously recognised	0	(82)
Change in temporary differences	(27)	(16)
Prior period adjustment	12	5
	18	(79)

Imputation credits

	2014 \$000	2013 \$000
Imputation credits as at 30 June available for use in subsequent periods	54	69

5. DEFERRED TAX

Deferred tax asset (liability)

	Property, plant and equipment	Employee entitlements	Other provisions	Tax losses	Total
Balance at 30 June 2012	0	0	0	0	0
Charged to surplus or deficit	3	89	0	0	92
Charged to other comprehensive income	0	0	0	0	0
Balance at 30 June 2013	3	89	0	0	92
Charged to surplus or deficit	(1)	26	0	0	25
Charged to other comprehensive income	0	0	0	0	0
Balance at 30 June 2014	2	115	0	0	117

Other disclosures

A deferred tax asset has been recognised in relation to temporary differences of \$418,305 (2013: \$326,941) as it is probable that future taxable profits will be available against which the benefit of the deductible temporary differences can be utilised.

6. PROPERTY, PLANT, EQUIPMENT AND INTANGIBLES

The asset register continues to be updated and stock takes are periodically conducted.

Several obsolete and fully depreciated assets were auctioned out to staff and items of software were written off. As a result, an elimination adjustment was incurred in respect of the accumulated depreciation.

There was no work in progress at the end of 2014.

2013 – 2014

	2014 Current additions \$000	2014 Current disposals \$000	2014 Current deprcn \$000	2014 Elimination on disposal \$000	2014 Total cost \$000	2014 Accu deprcn \$000	2014 Net Book value \$000
Owned assets:							
Telephone system	0	0	0	0	34	34	0
Furniture, plant & equipment	36	4	27	2	267	137	130
Intangibles	178	0	89	0	327	174	153
Work in progress	0	0	0	0	0	0	0
	214	4	116	2	628	345	283

2012 – 2013

	2013 Current additions \$000	2013 Current disposals \$000	2013 Current Deprcn \$000	2013 Elimination on Disposal \$000	2013 Total Cost \$000	2013 Accu Deprcn \$000	2013 Net Book Value \$000
Owned assets:							
Telephone system	0	0	2	0	34	34	0
Furniture, Plant & Equipment	68	10	22	10	235	112	123
Intangibles	29	17	51	17	149	85	64
Work in Progress	0	0	0	0	0	0	0
	97	27	75	27	418	231	187

7. TRADE AND OTHER RECEIVABLES

	Note	Actual 2014 \$000	Actual 2013 \$000
Trade receivables		0	0
Related parties receivables	12	390	945
Prepayments and sundry debtors		156	122
GST receivable		238	0
		784	1,067

8. TRADE AND OTHER PAYABLES

	Note	Actual 2014 \$000	Actual 2013 \$000
Trade payables		2,715	1,147
Related parties payables	12	1,039	3
GST payable		0	143
		3,754	1,293

9. EMPLOYEE ENTITLEMENTS

Capacity provides accrual for leave benefits consisting of annual leave, long-service leave and time in lieu. Benefit entitlements are as follows:

	Actual 2014 \$000	Actual 2013 \$000
Current		
Annual leave and time in lieu	358	307
Long-service leave	0	0
Payroll accruals	215	135
TOTAL EMPLOYEE ENTITLEMENT	573	442

10. SHARE CAPITAL

	Actual 2014 \$000	Actual 2013 \$000
400 fully paid \$2,000 ordinary shares	800	600

<i>Shareholder</i>	<i>No. of Shares</i>
Wellington City Council	200
Hutt City Council	100
Upper Hutt City Council	40
Porirua City Council	60

11. RETAINED EARNINGS

	Actual 2014 \$000	Actual 2013 \$000
Balance at beginning of year	(184)	(237)
Net surplus/(deficit) for the year	38	53
Balance at end of year	(146)	(184)

12. RELATED PARTY TRANSACTIONS

	Note	Actual 2014 \$000	Actual 2013 \$000
<i>Revenue for services by Capacity to:</i>			
Wellington City Council		8,259	5,152
Hutt City Council		2,549	1,630
Upper Hutt City Council		1,096	0
Porirua City Council		834	0
		12,738	6,782
<i>Goods and services supplied to Capacity by:</i>			
Wellington City Council		45	34
Hutt City Council		8	0
Upper Hutt City Council		0	0
Porirua City Council		0	0
		53	34
<i>Payments by councils relating to City Care:</i>			
Wellington City Council		6,745	6,155
Hutt City Council		2,776	2,570
Upper Hutt City Council		901	0
Porirua City Council		0	0
		10,422	8,725
<i>Payments by councils relating to other reimbursements:</i>			
Wellington City Council		196	62
Hutt City Council		138	29
Upper Hutt City Council		33	0
Porirua City Council		30	0
		397	91
<i>Receivable owing to Capacity from:</i>			
Wellington City Council		0	605
Hutt City Council		326	340
Upper Hutt City Council		64	0
Porirua City Council		0	0
	7	390	945
<i>Payable by Capacity to:</i>			
Wellington City Council		1,039	3
Hutt City Council		0	0
Upper Hutt City Council		0	0
Porirua City Council		0	0
	8	1,039	3

13. RELATED PARTY DISCLOSURES

In this section we disclose the remuneration and related party transactions of directors and key management personnel, which comprise the Chief Executive and the management team.

Key management personnel

	Actual 2013-14 \$000	Actual 2012-13 \$000
Salaries and other short term benefits	1,250	1,128
Post employment benefits	44	46
Termination benefits	25	
Key management personnel compensation	1,319	1,174

The former Chief Executive, David Hill, received a non-contractual severance payment of \$25,000 in December 2013.

Directors' remuneration

	2014 \$	2013 \$	Important Dates
John Strahl	27,500	15,000	Appointed Chairman 01/01/2014
Peter Allport	15,000	30,000	Term End 31/12/2013
Andrew Foster	7,500	15,000	Term End 31/12/2013
Peter Leslie	7,500	15,000	Term End 31/12/2013
David Bassett	17,500	15,000	
Ian Hutchings	17,500	15,000	
Sarah Free - via consultancy paid to WCC	0	0	Appointed 01/01/2014
Raveen Jaduram - via consultancy paid to Watercare	0	0	Appointed 01/01/2014
Wayne Guppy	10,000	0	Appointed 01/01/2014
Nick Leggett	10,000	0	Appointed 01/01/2014
Nicki Crauford	1,667	0	Appointed 01/06/2014
TOTAL DIRECTORS' REMUNERATION	114,167	105,000	

During the year, Capacity purchased legal services from DLA Phillips Fox, a legal firm in which Capacity Director John Strahl was formerly a partner. He continues to be occasionally engaged by DLA Phillips Fox for ad hoc assignments. These services cost \$55,511.69 for 2014, which included review of the company restructure documents, and advice on employment and insurance matters (2013: \$20,774.96). The services were supplied on normal commercial terms. There is an accrued outstanding balance in 2014 of \$2,571.44 (2013: \$nil) for unpaid invoices at year end.

Employee Remuneration

The number of employees earning over \$100,000 per annum:

SALARY RANGE	Year ended 30 June 2014	Year ended 30 June 2013
\$300,000 - \$310,000	1	
\$280,000 - \$290,000		1
\$190,000 - \$200,000	1	
\$180,000 - \$190,000		1
\$150,000 - \$160,000	2	
\$140,000 - \$150,000	1	3
\$110,000 - \$120,000	5	1
\$100,000 - \$110,000	6	6

No other employees earn over \$100,000.

14. PERSONNEL EXPENDITURE

Personnel expenditure consists of salaries, wages, bonuses, overtime, other employee costs and staff recruitment costs.

	Actual 2014 \$000	Actual 2013 \$000
Employee remuneration	6,084	5,389
Other employee costs	520	369
Recruitment costs	80	29
Total	6,684	5,787

15. RECONCILIATION OF NET SURPLUS BEFORE TAXATION WITH CASH INFLOW FROM OPERATING ACTIVITIES

	Actual 2014 \$000	Actual 2013 \$000
REPORTED SURPLUS/(DEFICIT) AFTER TAXATION	38	53
<i>Add non cash items:</i>		
Depreciation	116	75
Work in progress	0	0
Adjustment	0	0
	154	128
Add/(less) movements in other working capital items		
(Increase)/decrease in trade and related party receivable	555	239
(Increase)/Decrease in Deferred Tax Asset	(25)	(92)
(Increase)/decrease in prepayments and sundry debtors	(34)	14
Increase/(decrease) in trade and related party payable	2,604	261
Increase/(decrease) in GST payable	(381)	(18)
Increase/(decrease) in employee entitlements	130	(10)
Tax provision movement	(26)	10
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2,977	532

16. FINANCIAL INSTRUMENTS

Capacity's financial instruments include financial assets (cash and cash equivalents and receivables), and financial liabilities (payables that arise directly from operations).

The Directors do not consider there is any material exposure to interest rate risk on its investments.

Concentrations of credit risk with respect to accounts receivable are high due to the reliance on Wellington City Council, Hutt City Council, Upper Hutt City Council and Porirua City Council for the company's revenue. However, the councils are considered by the Directors to be high credit quality entities.

Capacity invests funds on deposit with the ANZ Bank (merged with The National Bank of New Zealand Limited).

Fair value

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. There were no differences between the fair value and the carrying amounts of financial instruments at 30 June 2014.

Market risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates.

There is no exposure to interest rate and currency risk as Capacity does not have borrowings or other foreign currency transactions.

Credit risk

Credit risk is the risk that a third party will default on its obligations to Capacity, therefore causing a loss. Capacity is not exposed to any material concentrations of credit risk other than its exposure within the Wellington region.

Cash is held on deposit with ANZ Bank under a call and a cheque account. Capacity holds no other collateral or credit enhancements that give rise to credit risk.

Receivables balances are monitored on an ongoing basis to reduce Capacity's exposure to bad debts. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position.

	2014 \$000	2013 \$000
TRADE AND OTHER RECEIVABLES		
Not past due date	784	1,067
Past due zero to three months	0	0
Past due three to six months	0	0
Past due more than six months	0	0
TOTAL TRADE AND OTHER RECEIVABLES	784	1,067

Liquidity risk

Liquidity risk is the risk arising from unmatched cash flows and maturities.

The following table sets out the contractual cash flows for all financial liabilities that are settled on a gross cash flow basis.

	Statement of financial position \$000	Total contractual cash flows \$000	Zero to twelve months \$000	One to two years \$000	Two to five years \$000	More than five years \$000
2014						
TRADE AND OTHER PAYABLES	3,754	3,754	3,754	0	0	0
2013						
TRADE AND OTHER PAYABLES	1,293	1,293	1,293	0	0	0

17. COMMITMENTS AND CONTINGENCIES

Capacity has a six-year lease commitment at 85 The Esplanade, Petone, starting 1 July 2009, with a two-month lease-free period on each year for the first three years. Lease terms have not been changed over the last five years.

Capacity also has a commitment in operating leases to IBM Global Finance New Zealand Limited for computer hardware, Ricoh for printers, and FleetPartners for lease of vehicles.

	Actual 2014 \$000	Actual 2013 \$000
NON-CANCELLABLE OPERATING LEASE COMMITMENTS		
Not later than one year	514	541
Later than one year and not later than five years	347	626
Later than five years	0	0
	861	1,167

Capacity has no contingent liabilities in 2014 (2013:\$nil) and no contingent assets in 2014 (2013: \$nil).

18. CAPITAL MANAGEMENT

The company's capital is its equity, which comprises shareholders' equity and retained surpluses. Equity is represented by net assets.

The company requires the Board of Directors to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently. The company's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing the company's equity is to ensure that the company effectively achieves its objectives and purpose, while remaining a going concern.

19. BUDGET DISCLOSURE

The budget was revised to incorporate the inclusion of Porirua City Council as a client council from 1 November 2013. The fees were recalculated under the outcome-based model. Shareholders approved the revised financials in the Statement of Intent 2013-14 on 24 March 2014.

From November 2013, the funds allocated by the four client councils for project consultancy were also transferred to Capacity to manage for the councils. These charges were invoiced monthly as a Recovered Expenditure Income and as these budgets were incompletely used we credited unspent amounts back to the councils at year end.

20. EVENTS AFTER BALANCE DATE

The current shareholding councils of Hutt, Porirua, Upper Hutt and Wellington have agreed and approved the proposed integration of the Water Supply Group of Greater Wellington Regional Council into Capacity, forming a new Council Controlled Organisation (CCO) with five shareholders. The transfer of approximately 63 staff from GWRC Water Supply Group is expected to be completed by mid-September 2014. Governance and shareholding changes for this new CCO are in progress and due to be completed by October 2014.

Directory

Directors

John Strahl (Chairman)
David Bassett
Nicki Crauford
Sarah Free
Wayne Guppy
Ian Hutchings
Raveen Jaduram
Nick Leggett

Chief Executive

Colin Crampton

Registered Office

85 The Esplanade
Petone
Wellington
New Zealand

Postal Address

Private Bag 39804
Wellington Mail Centre 5045

Telephone

64 4 910 3800

Web

www.capacity.net.nz, info@capacity.net.nz

*Note: From 19 September 2014 our
web address changed to:
www.wellingtonwater.co.nz
info@wellingtonwater.co.nz*

Auditor

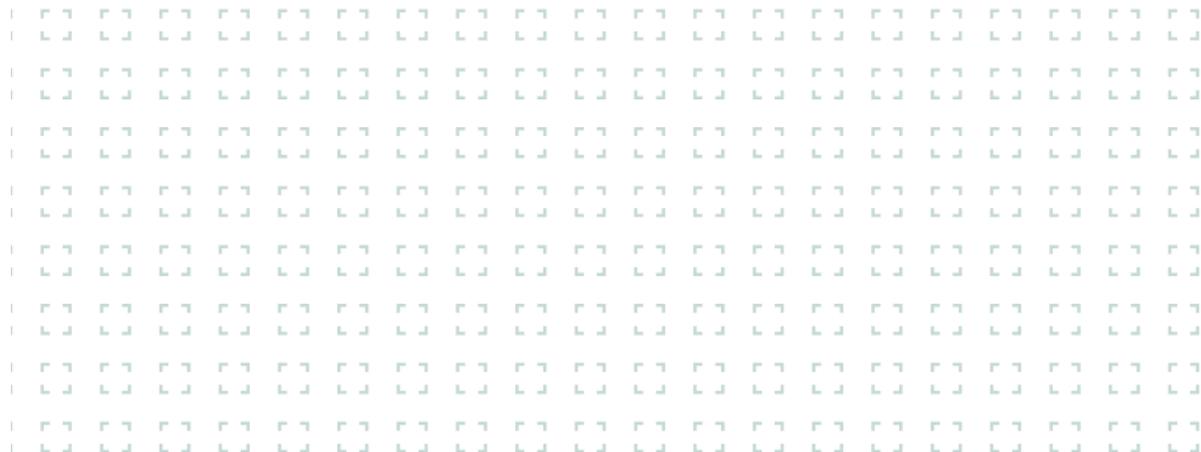
Audit New Zealand on behalf
of the Auditor-General

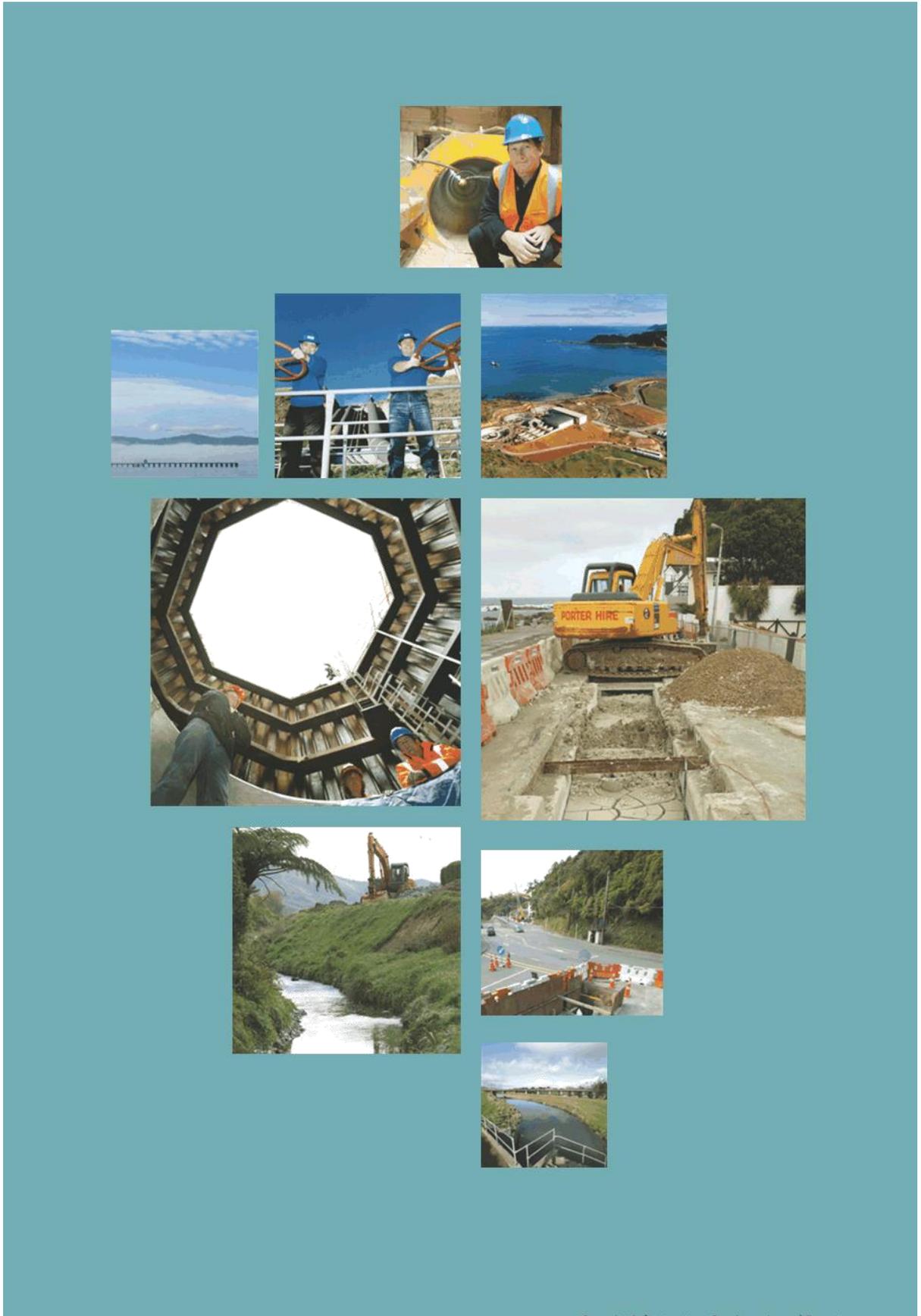
Bankers

ANZ New Zealand
Wellington
New Zealand

Solicitors

DLA Phillips Fox
Wellington
New Zealand





Item 3.1 Attachment 5



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4. Operational

PROPOSED RESERVE REVOCATION - 23 BATCHELOR STREET

Purpose

1. The purpose of this report is to request the Environment Committee recommends to the Council that:
 - it initiates a reserve revocation process, pursuant to section 24 of the Reserve Act 1977 (**RA**), of land at 23 Batchelor Street, Newlands (**the Land**);
 - it be guided by the outcomes of the section 24 RA process to determine the future use of the Land;
 - if the reserve status of the land is revoked then, pursuant to section 40 of the Public Works Act 1981 (**PWA**), Council declares the Land surplus and proceeds with offer back investigations and disposal.

Summary

2. The Land was acquired by the Council as a reserve and subsequently used, up until the removal of the building in 2009, as a community centre.
3. Beyond its use as a community centre, Council planning documents identified the Land for some form of redevelopment or reuse; internal business units of the Council do not seek to retain the Land.
4. The reserve revocation process of the RA is an appropriate forum to 1) gauge public interest and opinion on possible future use, and 2) prepare the land for either disposal and/or that other use.

Recommendations

That the Environment Committee:

1. Receives the information.
2. Recommends that the Council:
 - a. Agrees to revoke the reserve status of 23 Batchelor Street, Newlands, pursuant to section 24 of the Reserves Act 1977.
 - b. Authorises the Chief Executive Officer to conclude the reserve revocation of 23 Batchelor Street, Newlands.

Notes:

 - i. Public submissions received as part of the section 24 of the Reserves Act 1977 process will guide the Council on the reserve revocation.
 - ii. A further report will be presented to the Council to summarise submissions received and to decide whether to uphold objections or not.
 - c. If the reserve revocation option is chosen and completed successfully, agree that the property at 23 Batchelor Street is not required for a public work and is surplus to requirements.
 - d. If 23 Batchelor Street is declared surplus, authorise Council officers to commission a section 40 Public Works Act 1981 report to identify whether the land at 23 Batchelor Street must be offered back to a former owner or their successor in title, or whether an exemption from offer back applies under section

40(2), 40(3) or 40(4) PWA.

- e. If 23 Batchelor Street is declared surplus, approve its disposal.
- f. Delegate to the Chief Executive Officer the power to take all actions necessary to sell 23 Batchelor Street in accordance with the provisions of the Public Works Act 1981.

Notes:

- i. The consent of the Minister of Conservation is to be obtained, in accordance with section 24 of the Reserves Act 1977.
- ii. Any future use of the site would be guided by the 'Open Space A' zoning of the Land. A separate zoning plan change process is recommended if other uses are proposed.

Background

5. The Land (Lot 6 DP 30961, CFR WN7D/1150) was acquired by the Council in April 1971 as a reserve for public recreation. In January 1988 this classification was changed to 'Local Purpose (Community Centre) Reserve' and the Newlands Community House was established.
6. The community gradually outgrew the community building and plans for a new building were proposed. In 2007 the Council began construction at 9 Batchelor Street and the new Newlands Community Centre completed in 2008.
7. In 2010 the old community centre building was relocated to the Council's Rintoul Street housing site (for use by the housing tenants for a community space).
8. Future options for the vacant land were explored by the Council's Parks, Sport and Recreation Team (**PSR**). The land is included in the Northern Reserves Management Plan (2008). The plan indicates the land is not required for a park given its proximity to Newlands Park.
9. Officers attended a meeting of the Newlands Paparangi Progressive Association (NPPA) on Tuesday 5th August and briefed members on the proposed reserve revocation. NPPA Members identified the importance of preserving open space in Newlands and in particular the importance of developing Newlands Park as a major open space with a future playground. NPPA were invited to provide feedback prior to the Environment Committee meeting but, at the time of writing, none had been received.

Discussion

10. Both the Northern Reserves Management Plan (2008) and the Newlands Centre Plan (2010) suggest the Council investigates opportunities to better utilise this land to assist with the revitalisation of the Newlands Town Centre. An impediment to any proposed future use is the redundant Local Purpose (Community Centre) Reserve status of the Land.
11. The reserve revocation and disposal process is an appropriate mechanism to determine this future use as it allows:
 - The gauging of public interest and opinion on possible future use, through the public notification process.
 - Preparing the land for the future use and the potential for disposal. The Council need not dispose of the land unless obliged to under the section 40 PWA process.
12. The Council, under section 40 of the PWA, 'shall endeavour' to dispose of any land not required for the public work for which it was taken, and which is not required for any

other public work. The section 40 report will determine whether an offer back obligation exists. Notwithstanding, it is recommended to revoke the reserve status, and if that is successful, that it be declared surplus in terms of the PWA, and disposed of in accordance with that Act.

13. As the District Plan zoning for the Land is 'Open Space A' a future use inconsistent with the area rules would either require resource consent or a zoning plan change. No plan change is proposed by this report, but such a zone change consistent with the identified future use is recommended.

Options

14. The alternative to undertaking the reserve revocation is the *status quo*; the Land will retain the 'Local Purpose (Community Centre) Reserve' status, and could only be used for that purpose.

Next Actions

15. If the recommendations of this report are accepted and a resolution to revoke the reserve status and dispose of the Land is passed, then the next steps would be:
 - a. Initiate the public notification process in accordance with section 24 of the RA.
 - b. Commission a section 40 PWA report.
 - c. Report back to the Environment Committee on the outcome of public notification and the section 40 investigation.
 - d. Act on instruction from the Environment Committee, depending on the outcome of the public notification and section 40 investigation.

Attachments

- Attachment 1. Batchelor Street Location Plan
Attachment 2. Batchelor Street Aerial Plan

Author	Brett Smith, Property Advisor
Authoriser	Greg Orchard, Chief Operating Officer

SUPPORTING INFORMATION

Consultation and Engagement

Consultation was undertaken with four key Newlands-area stakeholders; Newlands Community House, Ngā Hau e Whā o Paparāangi, the Newlands Business Association and the Newlands Paparangi Progressive Association Inc. By the close of the consultation period (12th September 2014) the Business Association and Community House had replied.

The Business Association welcomed the review of the reserve status, noting the land could be used for a variety of purposes. Community House wished to see the land retained as open space, and developed as a park with children's play area and seating.

Consultation was also undertaken with other relevant business units within the Council, to determine whether the land is required for another public work.

Essentially two business units are the 'asset owners' of the land: PSR given it is open space and Community Services due to the 'Community Centre' status of the land. PSR has not identified the site for retention as a park, primarily due to the proximity of Newlands Park. This position is outlined in the Northern Reserves Management Plan (2008) and the Newlands Centre Plan (2010).

Community Services now have an investment in the Newlands Community Centre at 9 Batchelor Street, so retain no further interest in the Land; this has been confirmed by the outcome of the internal business unit consultation.

Otherwise, the Drainage Team seek the protection of drains in the Land and the District Plan Policy Team seek to have input if any zone changes are proposed; these are routine requests which can be accommodated readily. No business units sought to retain the land.

As discussed above the public notification process of the reserve revocation process will be used to gauge public interest and opinion on the future use of the Land. The findings of the notification process will be reported back to the Environment Committee.

Treaty of Waitangi considerations

There is no Treaty of Waitangi implication arising from the proposed reserve revocation.

Financial implications

There are some financial considerations related to this recommendation. Council Officer time, public notification advertising, and professional fees will be incurred. The reserve revocation process, however, is a statutory obligation of a Local Authority for which related costs must be borne.

Policy and legislative implications

The recommendations of this report are consistent with policies of the Council, and the reserve revocation will be undertaken in accordance with legislative requirements.

Risks / legal

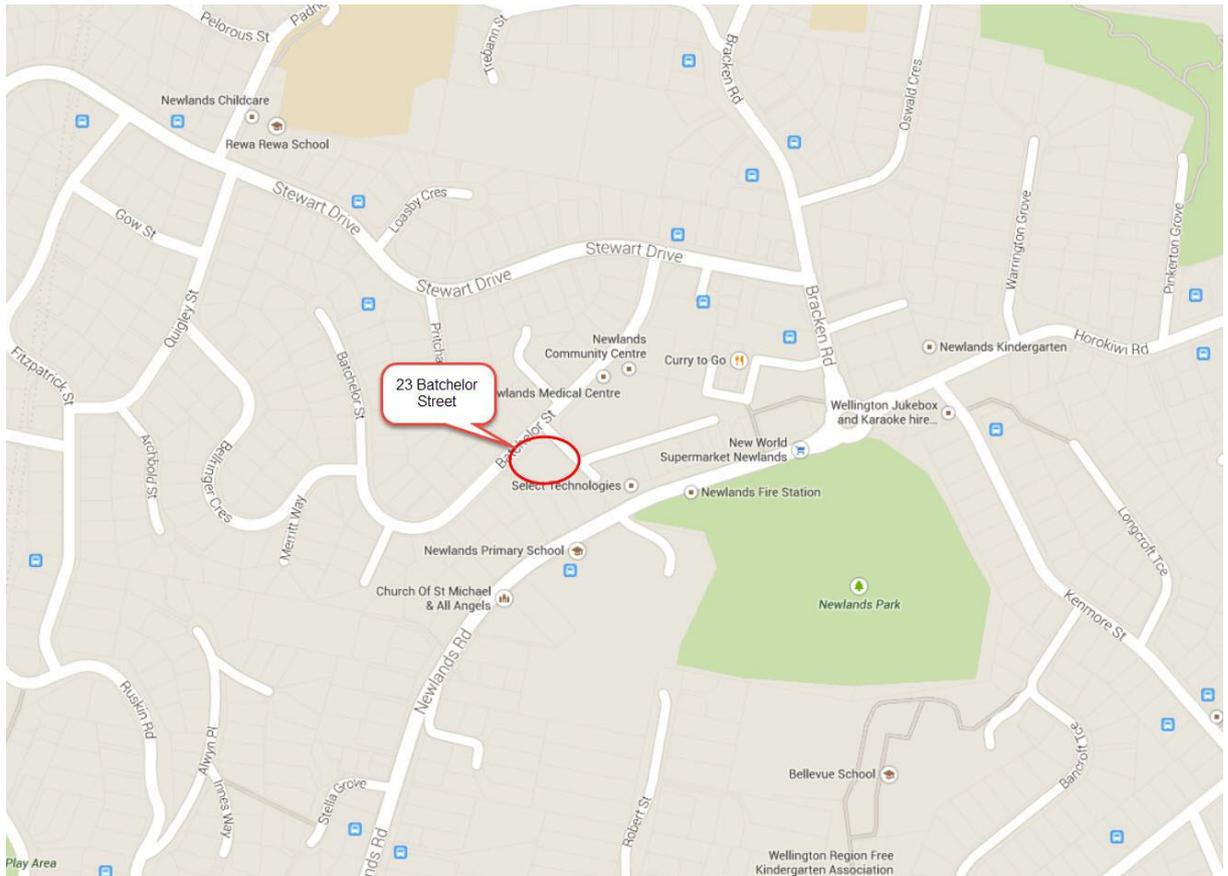
The reserve revocation process is consistent with legislative, and the Council's, requirements. Any legal challenge, or action in the Environment Court, will be overseen by the Council's lawyers.

Climate Change impact and considerations

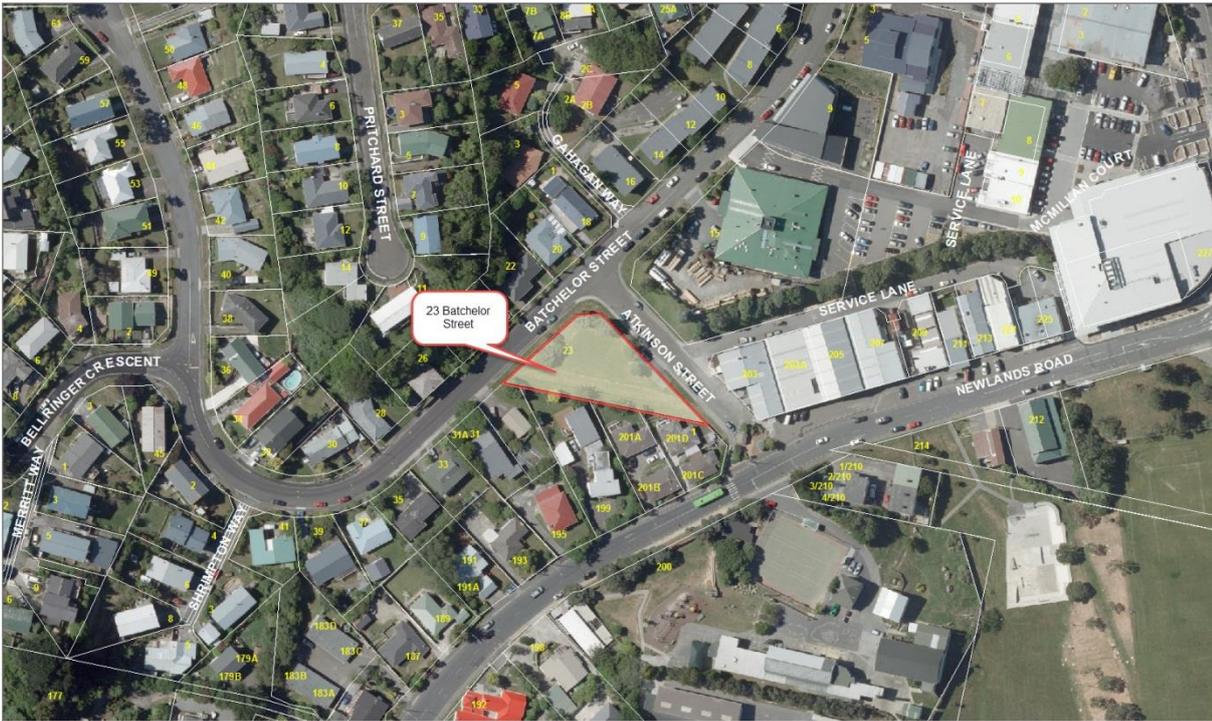
There are no climate change implications arising from the proposed reserve revocation.

Communications Plan

Public consultation, in accordance with section 24 of the RA, will be undertaken.



Item 4.1 Attachment 2



APPROVAL FOR AN EASEMENT OVER RESERVE - 500 QUEENS DRIVE, HOUGHTON BAY

Purpose

1. To obtain Council approval to replace an unregistered licence with a registered right of way easement in accordance with Section 48(1) of the Reserves Act 1977.
2. As illustrated on the attached plan, the owners of 44 The Esplanade have drive-on access across Council's adjoining reserve. This has historically been by way of unregistered licence. This paper seeks to formalise this in a registered easement.

Summary

3. The Council owns a large area of reserve (Scenic) land at 500 Queens Drive Houghton Bay (The Land).
4. Since 1981 a privately owned adjoining property at 44 The Esplanade has had vehicle access over approximately 820m² of the Land by way of an unregistered Deed of Licence Granting Right of Way (The Licence).
5. The aerial in Attachment 1 shows 44 The Esplanade outlined blue, the Land outlined green, and the route of the vehicle access provided for under the Licence over the Land shown with broken yellow lines.
6. The ownership of 44 The Esplanade has recently changed and the new owners have proposed replacing the Licence with a registered Right of Way Easement.
7. Council's asset owner of the Land is Parks, Sport and Recreation. They support the proposal as it is an opportunity to introduce better defined more comprehensive terms and conditions which would better protect the reserve and Council's long term interests.

Recommendations

That the Environment Committee:

1. Receives the information.
2. Recommends that the Council approve the granting of the registered easement (as identified in the plan in Attachment 1) for the access over part of the Wellington City Council's Reserve (Scenic) land at 500 Queens Drive, Houghton Bay (Sec 30 SO Plan 31517), in favour of 44 The Esplanade, Houghton Bay (Lot 1 DP 15775 and Lot 1 DP 46805), pursuant to Section 48 of the Reserves Act 1977.
3. Notes that:
 - a. As provided for in the Instrument of Delegation for Territorial Authorities signed by the Minister of Conservation on 12 June 2013 the consent of the Minister of Conservation to this proposal is not required.
 - b. The requirement for public advertising under Section 48(2) of the Reserves Act 1977 can be waived in accordance with Section 48(3) of the Reserves Act 1977, as the Wellington City Council's Reserve (Scenic) land is not likely to be materially altered or permanently damaged and the rights of the public will not be affected by the granting of the registered easement.
 - c. All costs related to the preparation and registration of the proposed registered easement will be borne by the owner of 44 The Esplanade, Houghton Bay.

Background

8. The privately owned property situated at 44 The Esplanade, Houghton Bay, Wellington was built in the late 1950s. Until the late 1970s it had vehicle access via 50 The Esplanade (The Pines) while both properties had a common owner. In the late 1970s 50 The Esplanade was sold, and vehicle access via that property by 44 The Esplanade was then denied. With Council approval a driveway was then formed over the adjoining Council Land.
9. The legal description of 44 The Esplanade is Lot 1 DP 15775 and Lot 1 DP 46805 being held on CFR WN18B/639. The legal description of Council's Land is Sec 30 SO Plan 31517 being held on CFR WN42D/765. Council's Land is classified as scenic reserve under the Reserves Act 1977, and zoned Conservation site under the District Plan.
10. The driveway over the adjoining Council Land was documented by way of the Deed of Licence Granting Right of Way dated 7 September 1981. Refer to Attachment 2 for a copy of the Licence.
11. The Licence gives 44 The Esplanade pedestrian and private vehicular access. The property has also used 151m² legal road land by way of an encroachment licence.
12. Ownership of 44 The Esplanade recently changed. The Licence remains in effect. The new owners have proposed replacing it with a registered Right of Way Easement as their preference is for a registration on their titles. The area of the Land for an easement would be similar to that currently provided under the Licence.

Discussion

13. The proposal to replace the unregistered Licence with a registered Easement would not affect the public use and enjoyment of or access to the Council's Land.
14. Parks, Sport and Recreation support the proposal.
15. The existing Licence could remain as it is legally binding but it is a basic document.
16. The proposal to replace with a registered easement is seen as an opportunity to introduce better defined terms and conditions which would better protect the Reserve Land and Council's long term interests.
17. The physical condition of the driveway to 44 The Esplanade is not ideal and it is likely that the new owners will want to upgrade it in the near future. Setting out the parties' rights and obligations ahead of this would help prevent issues.
18. The registered easement provides an opportunity to set out the limitations and responsibilities for each party.
19. The existing Licence provides the public the right to have access over the Land, and those rights would continue with the proposed registered easement.

Conclusion

20. Council has previously approved pedestrian and vehicular access over the Land to 44 The Esplanade.
21. While that approval remains under the terms of the existing unregistered Licence, officers opinion is that the proposal to replace that with a registered easement should be accepted as it is an opportunity to better protect the Reserve Land and Council's long term interests in managing it.

Attachments

Attachment 1. Aerial	Page 241
Attachment 2. Deed of Licence Granting Right of Way	Page 242

Authors	Paul Davidson, Property Advisor Michael Oates, Open Space and Recreation Planning Manager
Authoriser	Greg Orchard, Chief Operating Officer

SUPPORTING INFORMATION

Consultation and Engagement

Public consultation is not proposed as the reserve will not be materially altered or permanently damaged and the rights of the public will not be affected by the granting of the registered easement.

Treaty of Waitangi considerations

No consultation with Iwi is considered required. The existing unregistered licence allows the owners of 44 The Esplanade to pass over the reserve land now, with the proposal for a registered easement providing an opportunity to better protect the reserve land.

Financial implications

All costs incurred relating to registering an easement will be met by the owners of 44 The Esplanade.

Policy and legislative implications

The recommendations of this report and consistent with Council policy.

Risks / legal

Whether the unregistered licence remains or a registered easement is approved does not result in any risks or legal issues for Council. The proposal to replace the unregistered licence is an opportunity to better protect the reserve land.

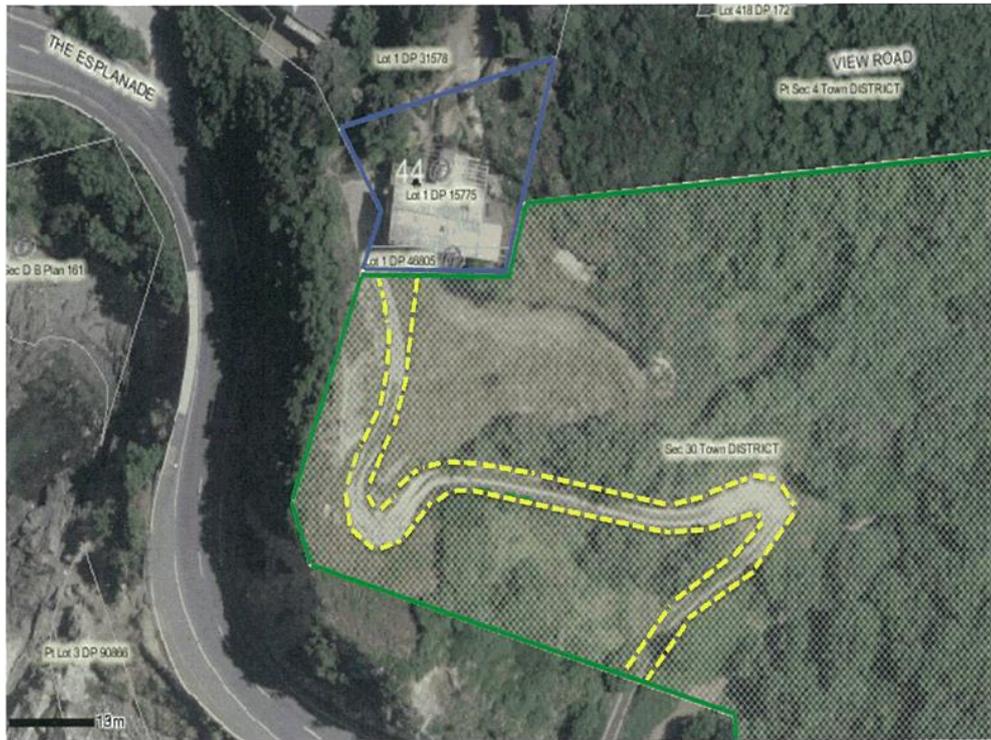
Climate Change impact and considerations

There are no climate change impacts.

Communications Plan

No further consultation is considered to be required.

Aerial



Item 4.2 Attachment 1

Deed of Licence Granting Right of Way

DATED 8/9/1981

THE WELLINGTON CITY COUNCIL

AND

T.H. AND Z.M. JOURNET

Licensees

DEED OF LICENCE GRANTING
RIGHT OF WAY

City Solicitor
Wellington

THIS DEED made the *8th* day of *September* 1981
BETWEEN the WELLINGTON CITY COUNCIL a local body duly
constituted under the Local Government Act 1974 (hereinafter
referred to as "the Council") of the one part AND TERENCE
HARRY JOURNET of Wellington, Accountant, and ZENA MARGARET
JOURNET, his wife (hereinafter referred to as "the Licensees")
of the othe part

WHEREAS the Council is the registered proprietor of the land
described in the First Schedule hereto (hereinafter referred
to as "the servient tenement")

AND WHEREAS the Licensees are the registered proprietors of
an estate in fee simple in the land described in the Second
Schedule hereto (hereinafter referred to as "the dominant
tenement")

AND WHEREAS the Council has agreed to grant to the Licensees
a pedestrian and vehicular right of way over that part of the
servient tenement comprising 820 square metres and shown on
the plan annexed hereto outlined in red (hereinafter referred
to as "the right of way") subject to the terms and conditions
hereinafter set forth

AND WHEREAS the Licensees have accepted those terms and
conditions

NOW THIS DEED WITNESSETH as follows:

1. THAT in consideration of payment of the sum of SEVENTY FIVE
DOLLARS (\$75.00) by the Licensees to the Council in advance in
each year of the currency of this Deed (the first of such
payments being due on the execution of this Deed) the Council
hereby grants to the Licensees their servants agents tenants
workmen licensees invitees and their successors in title (in
common with the Council and any other person lawfully so
entitled) as and in the nature of an easement appurtenant to
the dominant tenement, the right at all times by day and by
night to go pass and repass over and along the above-described
right of way for the purpose of gaining access to the dominant
tenement but for no other purpose whatsoever.

2.

2. THAT the Council may at five-yearly intervals during the continuance of this Deed review the licence fee hereby reserved and the Council shall give notice to the Licensees not less than one month prior to the date on which any revised annual rental is intended to take effect.

3. THAT the aforementioned right relates to pedestrian and private vehicular passage to and from the dominant tenement AND excludes any right to erect any structure upon the right of way except as may be necessary for its use as a right of way and any such works shall not be undertaken without the written consent of the Council.

4. THAT notwithstanding anything hereinbefore or hereinafter contained the Licensees shall not at any time restrict or limit the right of the general public to the use and enjoyment of the servient tenement as recreation reserve.

5. THAT if the Licensees shall make default in payment of the licence fee herein provided for a period of one calendar month after the due date of payment thereof or if they shall fail to observe or perform any of the covenants or conditions herein contained then the Council may determine this licence giving to the Licensees one calendar month's notice of its intention so to do and thereupon at the expiration of such notice the licence shall cease and be of no force and effect but without releasing the Licensees from liability for any antecedent breach or non-observance of any covenant or condition herein contained PROVIDED THAT in the event of the right of way or any part thereof being required by the Council for a public work under the Public Works Act 1928 the Council may determine this licence on six (6) months' written notice.

6. THAT upon the determination of this licence no compensation shall be claimed by or payable to the Licensees in respect of the right of way or any improvements thereon which shall at all times remain the property of the Council.

3.

7. THAT the Licensees shall at all times indemnify and keep indemnified the Council against all actions suits claims and demands whatsoever that may be made or brought against the Council for or on account of or in any manner whatsoever in connection with this grant of right of way.

8. THAT all future owners of the dominant tenement shall provide to the Council written acknowledgement that they accept and are bound by the covenants and conditions set out herein.

9. THAT the Licensees shall be responsible for all legal costs and disbursements in connection with the preparation of this Deed.

IN WITNESS WHEREOF these presents have been executed the day and year first hereinbefore written.

FIRST SCHEDULE

ALL that parcel of land containing 7.1970 hectares more or less being Section 30 (formerly part Section 4) Town District, situated in Block XI, Port Nicholson Survey District (vested in the Council in trust as a reserve for recreation purposes by Gazette Notice 195873.1).

SECOND SCHEDULE

ALL that parcel of land containing 572 square metres more or less situate in the City of Wellington being Lot 1 on Deposited Plan 15775 and Lot 1 on Deposited Plan 46805 SUBJECT TO:

1. Section 308(4) Local Government Act 1974
2. Section 8 Mining Act 1971 and Section 5, Coal Mines Act 1979 (as to Lot 1 EP 46805 only).

4.

SIGNED by the said TERENCE)
HARRY JOURNET and ZENA)
MARGARET JOURNET as)
Licensees in the presence)
of:)

W. Matthews
Solicitor
Wellington

THE COMMON SEAL of THE)
WELLINGTON CITY COUNCIL)
was hereto affixed in)
the presence of:)

Matthews
TOWN CLERK

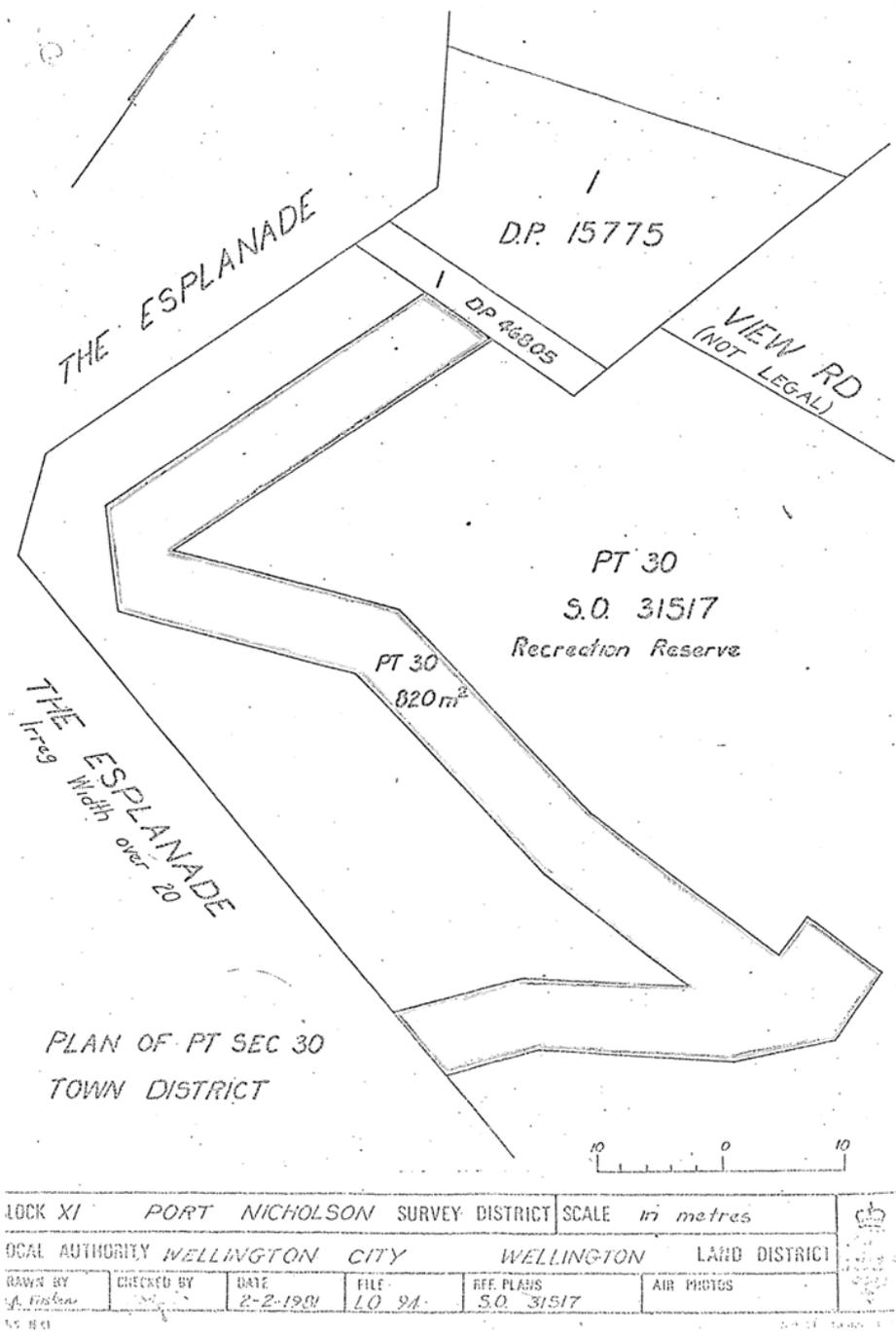
THE COMMISSIONER OF CROWN LANDS, Wellington, acting under
delegated authority from the Minister of Lands HEREBY
CONSENTS to the within-written grant of right of way.

DATED this 7th day of September 1981.

SIGNED for and on behalf of)
The Commissioner, in the)
presence of:)

H. Bryan
Lands and Survey Dept,
Wellington.

M. J. [Signature]
Deputy Assistant Commissioner of
Crown Lands.



5. Public Excluded

Resolution to Exclude the Public:

THAT the Environment Committee :

Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
5.1 Dedication of Road Reserve as Road Under Section 111 of The Reserves Act 1977 in Exchange for Private Land to be Vested Scenic Reserve	s7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.
