
**ORDINARY MEETING
OF
PŪRORO TAHUA | FINANCE AND PERFORMANCE
COMMITTEE
AGENDA**

Time: 9:30am
Date: Thursday, 16 June 2022
Venue: Ngake (16.09)
Level 16, Tahiwi
113 The Terrace
Wellington

MEMBERSHIP

Mayor Foster
Deputy Mayor Free
Councillor Calvert (Chair)
Councillor Condie
Councillor Day
Councillor Fitzsimons
Councillor Foon (Deputy Chair)
Liz Kelly
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Rush
Councillor Woolf
Councillor Young

Have your say!

You can make a short presentation to the Councillors, Committee members, Subcommittee members or Community Board members at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 04-803-8337, emailing public.participation@wcc.govt.nz or writing to Democracy Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number, and the issue you would like to talk about. All Council and committee meetings are livestreamed on our YouTube page. This includes any public participation at the meeting.

AREA OF FOCUS

The Pūroro Tahua | Finance and Performance Committee has the following responsibilities:

- Financial oversight
- Procurement policy
- Financial and non-financial performance oversight in relation to the Long-term Plan and Annual Plan
- Health and Safety
- Non-strategic asset investment and divestment as provided for through the LongTerm Plan and recommending to Council for matters not provided for in the LongTerm Plan.
- Council Controlled Organisation oversight and performance, with the exception of Wellington Water Limited which sits with the Infrastructure Committee
- Council Controlled Organisation director review and appointments
- WellingtonNZ oversight and performance

The Committee has the responsibility to discuss and approve a forward agenda.

To read the full delegations of this committee, please visit wellington.govt.nz/meetings.

Quorum: 9 members

TABLE OF CONTENTS
16 JUNE 2022

Business	Page No.
1. Meeting Conduct	5
1.1 Karakia	5
1.2 Apologies	5
1.3 Conflict of Interest Declarations	5
1.4 Confirmation of Minutes	5
1.5 Items not on the Agenda	5
1.6 Public Participation	6
2. General Business	7
2.1 Health, Safety and Security	7
2.2 Annual Report 2021/22 - Format including process and theme	13
2.3 Allocation of landfill surpluses	57
2.4 CCO Final Statements of Intent	67
2.5 Actions Tracking	275
2.6 Forward Programme	279
3. Public Excluded	281
3.1 FIFA Football Women's World Cup 2023 Funding	281

1. Meeting Conduct

1.1 Karakia

The Chairperson will open the meeting with a karakia.

Whakataka te hau ki te uru, Whakataka te hau ki te tonga. Kia mākinakina ki uta, Kia mātaratara ki tai. E hī ake ana te atākura. He tio, he huka, he hauhū. Tihei Mauri Ora!	Cease oh winds of the west and of the south Let the bracing breezes flow, over the land and the sea. Let the red-tipped dawn come with a sharpened edge, a touch of frost, a promise of a glorious day
---	--

At the appropriate time, the following karakia will be read to close the meeting.

Unuhia, unuhia, unuhia ki te uru tapu nui Kia wātea, kia māmā, te ngākau, te tinana, te wairua I te ara takatū Koia rā e Rongo, whakairia ake ki runga Kia wātea, kia wātea Āe rā, kua wātea!	Draw on, draw on Draw on the supreme sacredness To clear, to free the heart, the body and the spirit of mankind Oh Rongo, above (symbol of peace) Let this all be done in unity
--	--

1.2 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.

1.3 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.

1.4 Confirmation of Minutes

The minutes of the meeting held on 19 May 2022 will be put to the Pūroro Tahua | Finance and Performance Committee for confirmation.

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 Pūroro Tahua | Finance and Performance Committee.

The Chairperson shall state to the meeting:

-
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.

The item may be allowed onto the agenda by resolution of the Pūroro Tahua | Finance and Performance Committee.

Minor Matters relating to the General Business of the Pūroro Tahua | Finance and Performance Committee.

The Chairperson shall state to the meeting that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Pūroro Tahua | Finance and Performance Committee for further discussion.

1.6 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 31.2 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.

Requests for public participation can be sent by email to public.participation@wcc.govt.nz, by post to Democracy Services, Wellington City Council, PO Box 2199, Wellington, or by phone at 04 803 8334, giving the requester's name, phone number and the issue to be raised.

2. General Business

HEALTH, SAFETY AND SECURITY

Kōrero taunaki | Summary of considerations

Purpose

1. This report to Pūroro Tahua | Finance and Performance Committee is to provide a monthly health, safety and security update to Elected Members.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
- People friendly, compact, safe and accessible capital city
- Innovative, inclusive and creative city
- Dynamic and sustainable economy

- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient and safe place to live
- Safe, resilient and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

Strategic alignment with priority objective areas from Long-term Plan 2021–2031

Relevant Previous decisions

Financial considerations

- Nil Budgetary provision in Annual Plan / Long-term Plan Unbudgeted \$X

Risk

- Low Medium High Extreme

Authors	Thomas Fowler, Principal Advisor Health & Safety Services Wendi Henderson, Health, Safety & Security Manager
Authoriser	Meredith Blackler, Chief People and Culture Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That the Pūroro Tahua | Finance and Performance Committee:

1. Receive the information.

Whakarāpopoto | Executive Summary

2. This report provides information that aligns with the Officer Due Diligence responsibilities under the Health and Safety at Work Act 2015 (HSWA) for the month of May related to knowledge of work health, safety and security matters.
3. This report covers brief updates on the following strategic health, safety and security priorities:
 - COVID-19 response
 - The Health, Safety and Security strategy (and associated work)
 - Continuous improvement of the Health, Safety and Security reporting framework

Takenga mai | Background

4. This paper is part of regular reporting to Pūroro Tahua | Finance and Performance Committee.

Kōrerorero | Discussion

COVID-19 response

5. COVID-19 numbers across the Council continue to remain low. As at 8 June, the total number of recorded staff cases is 504 (26% of staff).
6. The largest spike recorded in May was 10 cases (recorded 3/5/2022) however the average cases per day for May is much lower (4 per day).

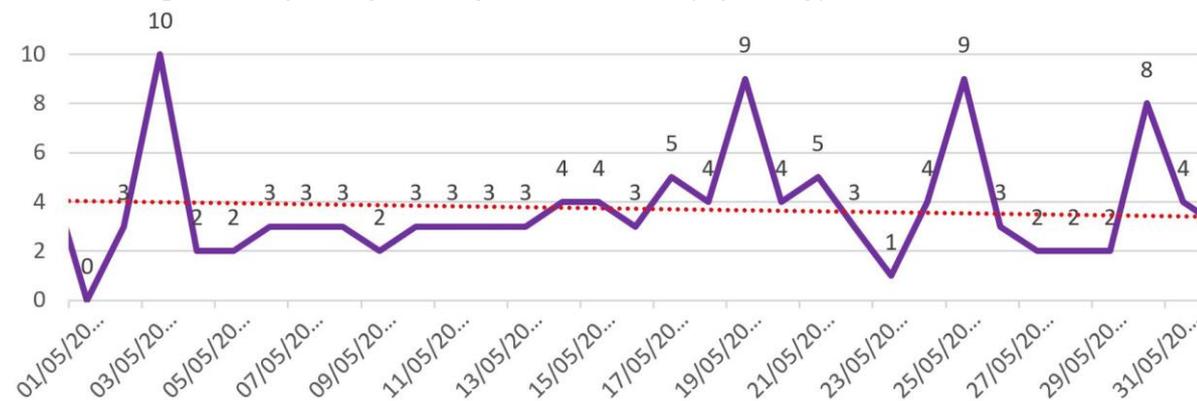


Figure 1: Graph showing number of positive cases per day (01 May to 31 May) with trend line.

7. When compared with March, where the average cases per day was 7 (the highest spike being 19 cases recorded for two days consecutively) it is clear the Council is well past its first peak of COVID-19 Omicron.

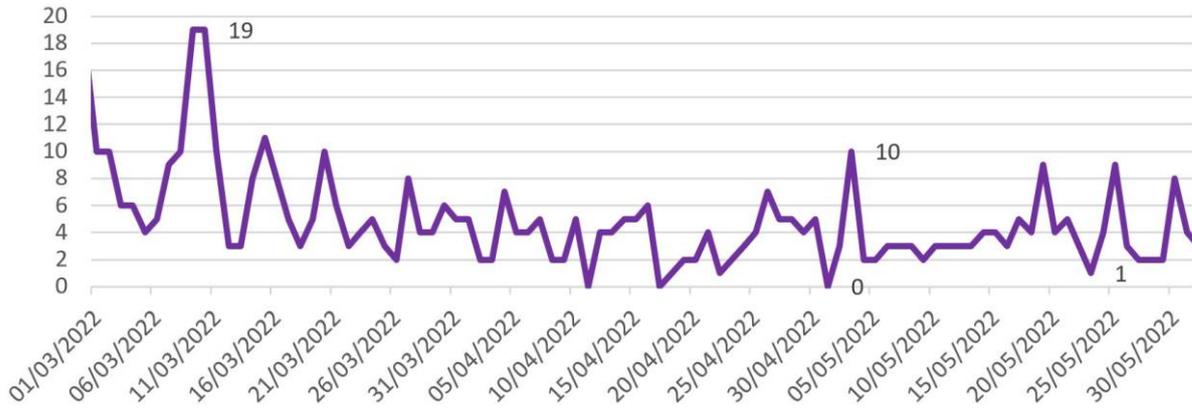


Figure 2: Graph showing number of positive cases per day (01 March to 31 May).

8. This is further supported by the lower number of active cases (calculated by the 7 day rolling number of cases reported) across the Council workforce. Where March had on average 49 active cases per day compared with 27 active cases per day in May.

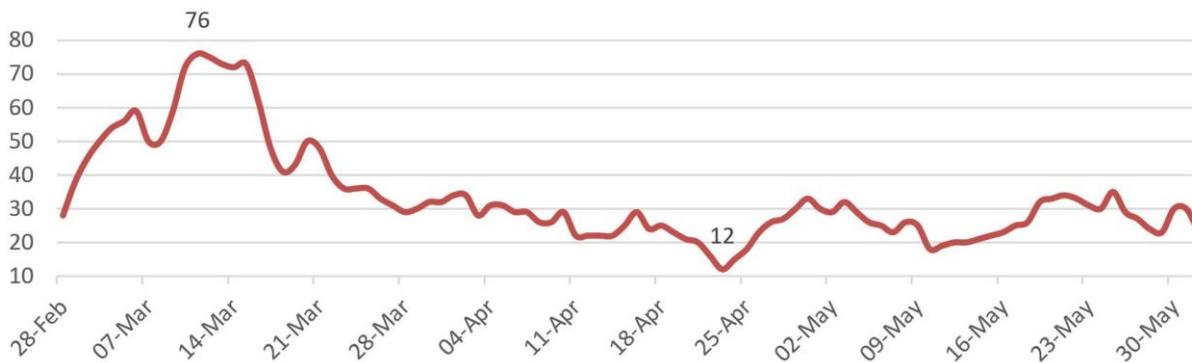


Figure 3: Graph showing active COVID-19 cases at the Council from 28 February to 31 May 2022 (including peak and lowest value).

9. Our numbers are also reflective of what can be seen in the community data, with CCDHB also displaying a flat trend of active cases for May.

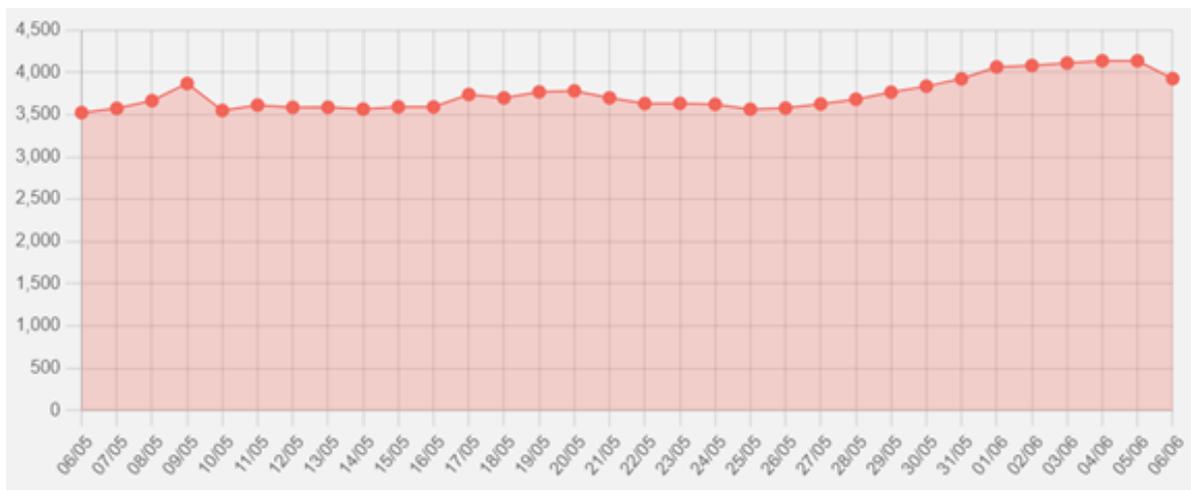


Figure 4: Graph showing active COVID-19 cases in the CCDHB area between 6 May and 6 June 2022. Ministry of Health via covid19map.co.nz

-
10. There continues to be no evidence of widespread workplace transmission, giving assurance that the controls we have in place are effective.
 11. With cold and flu season approaching, and some modelling suggesting we could see a second wave of COVID-19 in Wellington soon, regular communication has been shared with all staff about what they can do to stay safe and healthy.
 12. In the last paper it was reported that COVID-19 was the theme of 39% of the personal confrontation incidents reported between January and March 2022. This was largely related to the restrictions set out in the COVID Protection Framework (mask use, vaccine passes, capacity limitations).
 13. With those restrictions now eased, the additional risk of COVID-19 related incidents of personal confrontation has also subsided.
 14. For the month of May only 7% of the total personal confrontation incidents (5 of 67) were directly related to COVID-19.
 15. In late June the COVID-19 Management Group will assist Risk and Assurance on a review of the COVID-19 Strategic Risk Profile.

Health, Safety and Security Strategy

16. In August Elected Members will receive an update on progress of the updated Health, Safety and Security Strategy.
17. This update will also include discussion about the Council's health and safety assurance framework, adopted maturity frameworks, and associated services which make up the overall Health, Safety and Security System.

Health, Safety and Security Reporting Framework

18. Following the successful Elected Member health and safety workshop in April, further discussions have been had about future improvements to how the Council undertakes its health, safety and security monitoring and reporting activities.
19. It was clear from the workshop that strategy is a key driver of successful reporting.
20. External health and safety consultant Emma Brookes, PSB Solutions Ltd, who facilitated the April workshop has provided additional advice on what the Council could focus on to give further assurance it is making positive steps forward in its health and safety maturity – along with managing its risks appropriately.
21. This advice largely reiterated what was discussed during the April workshop. Making sure the Council's reporting was strategically led, provided good assurance on the management of the Council's critical risks, and told a robust story about health, safety and security maturity supported by data and insights.
22. In parallel to the development of a new strategy, an updated reporting framework is being worked on with a view that it will be in place for the 2022/23 Quarter 1 report later this calendar year.

Ngā mahinga e whai ake nei | Next actions

23. Not applicable

Attachments

Nil

ANNUAL REPORT 2021/22 - FORMAT INCLUDING PROCESS AND THEME

Kōrero taunaki | Summary of considerations

Purpose

1. This report to Pūroro Tahua | Finance and Performance Committee asks that the Committee agree to the proposed structure to the Council's 2021/22 Annual Report ahead of the drafting of the report and the audit.
2. This report includes a high-level timeline for audit process for the Annual Report for the committee's information.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
 - People friendly, compact, safe and accessible capital city
 - Innovative, inclusive and creative city
 - Dynamic and sustainable economy
-
- Functioning, resilient and reliable three waters infrastructure
 - Affordable, resilient and safe place to live
 - Safe, resilient and reliable core transport infrastructure network
 - Fit-for-purpose community, creative and cultural spaces
 - Accelerating zero-carbon and waste-free transition
 - Strong partnerships with mana whenua

Strategic alignment with priority objective areas from Long-term Plan 2021–2031

Relevant Previous decisions

Financial considerations

- Nil Budgetary provision in Annual Plan / Long-term Plan Unbudgeted \$X

Risk

- Low Medium High Extreme

3. A focused, resourced and well-managed Audit process operating within scope is a significant driver of delivering the Annual Report efficiently, in-full and on time. AuditNZ have constrained audit capacity and to address this they have indicated that they will implement tighter processes management from their end. Close Audit relationship management will be important in ensuring that this occurs and Audit activities are delivered within scope. This has been a key focus in agreeing both the audit timeline and, how the collective management of the Audit will proceed. The aim of this is to limit iterations of the Audit review.
4. Other potential audit related risks to manage include:

-
- uncertainty on the audit approach to the non-financial aspects of the impact of COVID-19
 - ongoing delay on the auditor's opinion on Wellington Water's KPIs; and
 - auditors proof reading and editing the document and changes in the Audit team during the audit.
5. The overall impact of these issues, if not well managed, is escalating rework of the Annual Report as the audit proceeds.

Authors	Joy Volkerling, Senior Advisor, Planning & Reporting Lloyd Jowsey, Team Leader, Planning and Reporting Bronwen Green, Senior Advisor, Planning and Reporting
Authoriser	Baz Kaufman, Manager Strategy and Research Stephen McArthur, Chief Strategy & Governance Officer Sara Hay, Chief Financial Officer

Taunakitanga | Officers' Recommendations

That the Pūroro Tahua | Finance and Performance Committee:

1. **Receive** the information.
2. **Note** the approach, theme and structure for the 2021/22 Annual Report (and Summary Annual Report) is similar to the 2020/21 Annual Report. This is subject to:
 - a. the final performance story for actual full year results; and
 - b. the key messages for the Annual Report Summary document.
3. **Note** the Audit Plan for the year ending 30 June 2022 (Attachment 1).

Whakarāpopoto | Executive Summary

6. The aim is to efficiently deliver a concise, readable, and compliant Annual Report. The 2020-21 Annual Report received a gold award in the Australasian Annual Reports Awards - the first New Zealand Local Authority to do so. Reflecting adjudicator feedback, the layout and presentation is therefore expected largely unchanged from previous year, including:
 - A simplified front-end summary including a short and visual overview of financial and non-financial performance.
 - Aligned with our strategic framework in the 2021-31 LTP
 - Continuing and expanding where appropriate the use of visual elements to concisely communicate the year's performance story
 - Publication in two volumes with a common look and feel i.e., Volume one overview and performance in our strategic activity areas, and Volume two detailed financial performance; and
 - Covers the requirements for entry into the Australasian Reporting Awards (ARA).

Theme: "A City in Transition"

7. This theme aligns with the key messages in the pre-election report and represents the how Council had to adapt and learn through significant events and COVID settings through 2021/22 year. This theme also offers good scope to design and integrate the visual elements in the final document. More detail on this theme can be found on Attachment 2.

Process & timing:

8. AuditNZ resource constraints have resulted in an adoption date of 15 December 2022 for the final Annual Report. This means the report will not be adopted prior to Local Elections 2022, however the current Council will approve the report on the 29th September. To ensure a level of quality assurance for the Finance & Performance Committee and Council, there will be a programme peer-review of both the non-financial and financial content.
9. The Audit plan timings agreed with AuditNZ recognises that the Wellington City Council is one of AuditNZ's priority Councils. This means that AuditNZ have a statutory obligation to complete the audit and provide an opinion by the end of December 2022. The detailed Audit Plan is included as Attachment 2.

10. The Summary Annual Report will be made publically available within one month of the adoption of the Annual Report.

Takenga mai | Background

11. Section 98 of the Local Government Act (LGA) 2002 requires the Council to prepare and adopt an Annual Report containing specified disclosures within four months after the end of the financial year. However the pandemic significantly constrained Audit New Zealand's ability to carry out its annual audits in a timely manner. Parliament therefore passed a Bill to extend the statutory reporting time frames in the Crown Entities Act 2004 and the Local Government Act 2002 to 31 December. Section 111 of the LGA 2002 requires Council to comply with generally accepted accounting practice (GAAP) in preparing the Annual Report.
12. Council officers propose to prepare the 2021/22 Annual Report for adoption on 15 December 2022. Due to the extended timing of the final Audit and sign-off, and that this year is also an election year, the process has been changed to include both the outgoing Council and Subcommittees as well as the new incoming Council.
13. To achieve the audit plan timeframe, there will be two workshops with the outgoing Audit and Risk subcommittee (open to all Councillors) scheduled for 30 August 2022. This will provide Councillors with the opportunity to review and provide feedback on the draft Annual Report prior to the Election on 8 October 2022.

Kōrerorero | Discussion

Structure, content and presentation of the Annual Report and summary document

Structure

14. No change is proposed to the Annual Report or the Summary Annual Report structure from the previous (2020/21) Annual Report.
15. We will continue to use te reo headings and translations of the Mayor's and Chief Executive's Statements. The visual and layout elements of both the full Annual Report and the Summary document will support a concise overall performance story with a structure that is intuitive and easily navigated by a variety of audiences.
16. The Annual Report will be published in print and online in two volumes:
 - Volume one: three sections (plus appendices): Summary of our year, Our performance in detail, Our leadership and our people plus Audit opinion and glossary; and
 - Volume two: the Financial Statements.

Content

17. As in the previous year's (2020/21) Annual Report, Section one will provide an overview of our performance. This includes:
 - Introductions by the Mayor and Chief Executive, General highlights of the year (interesting facts & figures) summary of what we do, the services we deliver
 - "Summary of our performance" - covers how we performed during the year, including outcome indicators and key performance measure results against targets, plus high level financial against Strategic areas
 - "Our finances" - covers a series of key messages on the Council's financial performance. It will include key headline messages and short explanatory narratives. This will be supported by graphs on revenue, expenditure and capital expenditure as well as an explanation on the "underlying operating result".

-
- Also included in the performance story will be an explanation of how the capital expenditure programme has performed during the 2021/22 year and key influences. Where the money comes from (income) and where the money goes (expenses) and the allocation of rates funding to those projects.
18. Section two covers “Our performance in detail”. This summarises key aspects of non-financial performance for the year in each activity area (Governance, Environment, Economic Development, Cultural Wellbeing, Social and Recreation, Urban development, and Transport). The commentary also includes the year’s actual performance against each activity areas key performance indicators (KPIs).
 19. Section three - Our leadership and our people profiles the structure, governance, leadership and people that make up the Wellington City Council. This includes information on the operation, activities and achievements of the Council in delivering services to the community. Also included will be demographic information on the staff composition of the Council.

Presentation

20. The performance story commentary will be supported by case studies to provide a concise non-technical performance story for the activity area. The aim is to make it easier for the ordinary reader to understand how the Council has performed for the year in non-technical terms.
21. The Summary Annual Report is designed to be a “lift-out” from the full Annual Report. The Summary contains the performance summary with summarised financial statements. Readers who wish to review the detail, the summary information will reference where the detail can be found in the full Annual Report. The Summary also includes the Auditor’s report.
22. As in the previous year, the Summary Annual Report will have:
 - an introduction and overview
 - highlights of the year of our financial and non-financial performance
 - an overview of the financial result (with reference to the Financial Statements in the full Annual Report); and
 - the independent auditors report.

Annual Report Audit Plan - key dates

Date:	Action:
27 June to 15 July 2022 (scheduled)	Audit New Zealand commence combined interim and pre-final audit fieldwork.
30 August 2022 (scheduled)	Workshop 1 - Audit and Risk Subcommittee briefing on performance in detail and issues.
30 August 2022 (scheduled)	Workshop 2 - Audit and Risk Subcommittee briefing on financial results, key judgements, major provisions and issues.
14 September 2022 (scheduled)	<p><i>Audit and Risk Subcommittee meeting</i></p> <p>Subcommittee to review draft Annual Report including consolidated draft financial statements, encompassing results of operations and cash-flows for the year ending 30 June 2022, financial position as at 30 June 2022 and financial overview, subject to final Audit New Zealand clearance. Subcommittee to also review Statements of Service Performance including reports on CCOs and mana whenua partnership.</p> <p>Subcommittee to recommend acceptance of draft 2021/22 financial statements to outgoing Council and the letter of representation.</p>
29 September 2022 (scheduled)	<p><i>Finance and Performance Committee</i></p> <p>Outgoing Council to recommend draft 2021/22 Annual Report be accepted and adopted by the incoming Council subject to certain criteria and final audit clearance.</p>
3 October 2022 (scheduled)	Final Audit starts
8 October 2022 (scheduled)	Local Body Election
8 December 2022 (scheduled)	<p><i>Council Briefing</i></p> <p>Incoming Committee (Council) to review the changes to the draft 2021/22 Annual Report since outgoing Council recommended it be accepted 29 September 2022.</p> <p>Audit New Zealand to provide update as to whether an unqualified, or qualified audit opinion will be issued.</p> <p>To recommend adoption of the final 2021/22 Annual Report.</p>
15 December 2022 (scheduled)	<p><i>Council meeting</i></p> <p>Council to adopt 2021/22 Annual Report.</p> <p>Management Letter of Representation issued to Audit New Zealand.</p> <p>Audit New Zealand sign audit opinion.</p> <p>Media release – financial results for the year ending 30 June 2022.</p>
15 January 2023	Release of published Annual Report and Summary Annual Report.

Ngā mahinga e whai ake nei | Next actions

23. Officers are open to feedback on the structure, process or timings. Early feedback will ensure that this can be considered before the Annual Report content development commences. This can be provided by email to the project manager Joy Volkerling.
24. The Annual Report will be provided progressively to AuditNZ on agreed dates during the audit.

Attachments

- Attachment 1. Attachment 1. Audit Plan
Attachment 2. Attachment 2. Themes

Audit plan

Wellington City Council

For the year ending 30 June 2022

Audit plan I am pleased to present our audit plan for the audit of Wellington City Council (the City Council) for the year ending 30 June 2022. The purpose of this audit plan is to discuss:

Audit risks and issues	2
Group audit	18
Our audit process.....	20
Reporting protocols	27
Audit logistics	28
Expectations.....	33

The contents of this plan should provide a good basis for discussion when we meet with you.

We will be happy to elaborate further on the matters raised in this plan.

Our work improves the performance of, and the public’s trust in, the public sector. Our role as your auditor is to give an independent opinion on the financial statements and performance information. We also recommend improvements to the internal controls relevant to the audit.

If there are additional matters that you think we should include, or any matters requiring clarification, please discuss these with me.

Yours sincerely



Karen Young
Appointed Auditor
8 April 2022

Audit risks and issues

Focus areas



Based on the planning work and discussions that we have completed to date, we set out in the table below the main audit risks and issues. These will be the main focus areas during the audit.

Audit risk/issue	Our audit response
Three waters DIA mandatory performance measures	
<p>The City Council makes use of a service provider, Wellington Water Limited (Wellington Water), for specific services relating to (water supply, wastewater and stormwater) and to provide the results for certain performance measures that the City Council uses for reporting in the annual report.</p> <p>As a result of a number of significant issues with the performance measures in the prior years, our audit opinions for 2019/20 and 2020/21 were modified on certain performance information – including maintenance of the reticulation network – Water supply and total number of complaints received – Water supply, Wastewater and Stormwater.</p> <p>It is important that the City Council continues discussions with Wellington Water to ensure that there are appropriate performance results available and there is robust evidence available to support the performance results provided.</p>	<p>We will continue discussions with the City Council about how this matter has progressed and its plans to resolve the issues identified in the past.</p> <p>We will complete our planned audit approach, which will include engagement with the Wellington Water auditor to seek assurance over the performance information which the City Council will rely on for its performance reporting.</p> <p>If the issues identified in the past are not addressed and improvements made, our audit opinion may continue to be modified for these measures.</p>
Valuation of investment property	
<p>The City Council revalues its investment property annually. The relevant accounting standard is <i>PBE IPSAS 16 Investment Property</i>.</p>	<p>We will:</p> <ul style="list-style-type: none"> review the valuation report and hold discussions with the City Council and the valuer to confirm our understanding; review the valuation report to assess whether the requirements of PBE IPAS 16 (including the appropriateness of the valuation basis) have been met;

Audit risk/issue	Our audit response
	<ul style="list-style-type: none"> • evaluate the qualifications, competence and expertise of the external valuer; • review the valuation method assess if the applicable method used is in line with the financial reporting framework, including the reasonableness of the data and key assumptions used; and • review the accounting entries and associated disclosures in the annual report against relevant accounting standards.
Valuation of property, plant and equipment (subject to revaluation) – infrastructural assets	
<p>The City Council revalues its infrastructure assets on a three-year rolling cycle. The last revaluation was performed in 2019/20. With the current environment having a significant impact on costs – for example, supplies and labour cost escalations, the City Council’s existing revaluation policy has been reviewed to assess whether the current three-year cycle is appropriate. Currently, there are indications there maybe potential material changes to the fair value of infrastructural assets. The City Council has decided to bring forward its infrastructural asset revaluation to 2021/22.</p>	<p>For infrastructure assets we will:</p> <ul style="list-style-type: none"> • assess the valuation process, including the competence and experience of the person completing the valuation; • review the valuation report to assess whether the requirements of PBE IPAS 17 <i>Property, Plant and Equipment</i> (including the appropriateness of the valuation basis) have been met; • review the method of valuing the infrastructure assets and assess if the applicable method used is in line with the financial reporting framework, including the reasonableness of the data and key assumptions used; • ensure changes to useful lives have been appropriately taken up, and values and depreciation charges have been appropriately accounted for; • ensure the information on the condition of assets for the three waters have been taken into consideration. The condition information of critical pipe assets was performed in 2020/21, and the condition assessment of the remaining pipe assets is currently taking place; and • assess the presentation and disclosure of information related to the valuation in the financial statements.

Audit risk/issue	Our audit response
	<p>As part of the process, we will:</p> <ul style="list-style-type: none"> • enquire into the processes employed by the City Council to ensure that the items revalued are complete. If any items have been excluded from the revaluation we will enquire into the reasons for this; • review how the City Council satisfies itself that the revaluation is appropriate; • discuss the results with, and obtain an assurance letter from, the valuers; and • obtain an understanding of how the City Council is tracking with its planned capital programme taking into consideration the uncertainty over the delivery of the programme due to a number of factors, including the significant constraints in the construction market.
<p>Fair value assessment of property, plant and equipment (non-revaluation year) – operational land and buildings</p>	
<p>Operational land and building assets were last revalued as at 30 June 2021 and are not scheduled for revaluation this year.</p> <p>For those assets that are not due to be revalued, accounting standards require the City Council to perform a comprehensive analysis to determine whether there is a significant difference between the fair value and the carrying value that would trigger the need for the City Council to revalue (a fair value assessment).</p> <p>Accounting standards also require the City Council to complete an assessment of whether there are potentially any indications of impairment (an impairment assessment), and whether an adjustment is needed to the value of any assets as a result of this.</p> <p>Management should perform a fair value assessment as at 30 June 2022 by applying relevant cost indices taking into account the cost pressures and significant constraints that exist within New Zealand and Wellington’s construction industry and the limited availability of resources in the sector (including various trades and project managers).</p>	<p>We will review the robustness of the City Council’s assessment of whether the asset class’s fair value has significantly moved compared with its carrying value. This will include considering the appropriateness of the City Council’s methodology and key assumptions.</p> <p>To strengthen the 2022 fair value assessments, we recommend that management:</p> <ul style="list-style-type: none"> • factor in its own cost information into the fair value assessment. The City Council has cost information available to it from ongoing construction projects; this should be factored into the analysis; • consult with the valuers who performed the valuations in 2021 - they will have construction cost data available which will further improve the City Council’s assessment; and • consider if it would be useful to have the assessment reviewed by an independent valuer – given the current environment (creating uncertainties) and cost escalation.

Audit risk/issue	Our audit response
Impairment of property, plant and equipment held at cost – including the Civic Square complex	
<p>The Civic Square complex had a carrying value of \$50 million as at 30 June 2021. This asset class is measured at historical cost less accumulated depreciation. Assets held at cost are required to be assessed for indicators of impairment on an annual basis.</p> <p>There are ongoing seismic issues at a number of the assets within the Civic Square complex, such as the Town Hall, Civic Administration Building, Central Library, City to Sea Bridge, Capital E. Seismic and/or engineering issues can be considered an indicator of potential impairment in PBE IPSAS 21: <i>Impairment of non-cash generating assets</i>.</p> <p>PBE IPSAS 21 requires the City Council at 30 June 2022 to consider if there is any indication that an asset may be impaired. If any such indication exists, the City Council is required to estimate the recoverable service amount of the asset. If this is less than the asset's carrying amount, an impairment loss must be recognised.</p>	<p>We will continue to review the City Council's impairment assessments, with specific focus on significant assets in the Civic Square complex and other assets held at cost.</p> <p>This will include considering the appropriateness of the City Council's methodology and key assumptions.</p>
Accounting for impairment and capitalisation of work in progress	
<p>In addition to assets held at cost are required to be assessed for indicators of impairment on an annual basis, work in progress (WIP) values on projects that span an extended period of time should be assessed regularly for impairment over the period of the project.</p> <p>The City Council needs to ensure that as phases of a project are completed, and assets become operational, capitalisation of the WIP balance occurs in a timely manner. This will ensure that depreciation expense on these assets is recognised and accounted for appropriately.</p> <p>The City Council will need to complete an assessment of impairment of assets (as above) and all significant WIP balances.</p>	<p>We will follow up with the City Council its processes for assessing impairment of all significant WIP balances and capitalisation of work-in-progress.</p>

Audit risk/issue	Our audit response
Valuation of the City Council's weathertightness liabilities	
<p>The City Council's liability for weathertightness claims remains significant, totalling \$33.2 million at 30 June 2021. There is a high degree of judgement and estimation in the calculation of the liability.</p>	<p>We will review the valuation of the weathertightness homes provision as at 30 June 2022. This will include testing of the underlying information used in the valuation, reviewing the valuation methodology and key assumptions, and reviewing the disclosure in the financial statements.</p>
Accounting for items from major litigation activity - Legal claim by BNZ and other significant legal matters	
<p>The City faces a number of on-going legal issues and court cases. The City Council will need to consider the accounting and disclosure implications of these legal issues and cases when preparing the financial statements.</p> <p>BNZ leased a premise for which the City Council issued a building consent for the superstructure of the building on 16 November 2006, a code compliance certificate on 27 March 2009 and the final code of compliance was issued on 29 June 2010. During the Kaikoura Earthquake in November 2016, BNZ claims the building suffered irreparable damage and was unable to be occupied by BNZ from that date. This litigation activity can result in significant liabilities for the City Council.</p> <p>Determining whether there is a contingent liability requiring disclosure in the financial statements generally requires judgement given the specific circumstances and facts of the legal matter.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • understanding the City Council's approach to monitoring the litigation activity and how it makes decisions as to whether a contingent liability (and/or asset) or provision should be disclosed, including the City Council's involvement in this; • obtaining confirmation from the City Council's external legal advisers as to the legal matters they have assisted the City Council with during the financial year, their assessment of the likely outcome; • determining any likely financial impact of this outcome; and • discussing the status of the litigation with the City Council's internal legal counsel and external legal advisors.

Audit risk/issue	Our audit response
Mixed group (for-profit and public benefit entity) issues – refer also to the section on Group audits in this Audit Plan	
<p>We have assessed Wellington International Airport Limited (WIAL) as a significant component for the City Council group audit.</p> <p>WIAL is a for-profit entity and the City Council group is a public benefit entity. Different accounting standards apply to public benefit entities and for-profit entities resulting in differences in the treatment of certain transactions and events.</p> <p>There is the potential for significant adjustments being required when for profit entities are consolidated into group financial statements prepared in accordance with the public benefit entity standards.</p>	<p>The City Council will have to consider whether there are any consolidation adjustments that will be necessary to adjust WIAL figures to comply with PBE IPSAS.</p>
Accounting implications of arrangements with government, non-government organisations and private sector	
<p>To deliver on the City Council’s 2021/31 Long Term Plan and specific plans for affordable housing, social housing, and sludge, the City Council indicated that they may enter into arrangements with government, non-government organisations and private sector.</p> <p>The Government announced funding available under the Water Stimulus Funding package and the City Council received its first instalment during the previous financial year, with more funding expected for the 2022 financial year.</p> <p>It is important that the accounting treatment for these contractual arrangements are considered early on. The City Council may have to obtain external accounting advice on the tax implications and accounting treatment in its financial statements.</p> <p>The City Council should engage with us early, and provide position papers on each matter which includes sufficient support (for example, external accounting advice) for the accounting treatment chosen.</p>	<p>We will:</p> <ul style="list-style-type: none"> • obtain an update on these projects and arrangements from the City Council, • gain an understanding of these arrangements and discuss with the City Council whether, for these arrangements, it has considered the tax and accounting treatment and disclosures in the financial statements; • review any accounting, tax, legal or other technical advice received by the City Council for these arrangements; and • determine whether the tax and accounting treatment and disclosures were appropriate and in line relevant accounting standards. <p>Where applicable, we will obtain our own technical opinion to corroborate the tax and accounting treatment and disclosures in the financial statements.</p>

Audit risk/issue	Our audit response
Central government funding	
<p>The Government has announced a number funding initiatives to support housing and infrastructure development and to stimulate economic recovery following the impact of Covid-19. This included the following announced in 2021.</p> <ul style="list-style-type: none"> • A \$3.8 billion Housing acceleration fund announced on 23 March 2021. \$1 billion of this has been set aside for investment in local Infrastructure. • A \$2.5 billion package to support local government transition through the three waters reforms. <p>In addition, previous funding announcements included a \$2.6 billion shovel ready funding package aimed at supporting economic recovery following Covid-19 and a \$761 million funding package provided to local authorities to maintain and improve three waters infrastructure.</p> <p>The City Council should ensure that any funding agreements entered into with the Government have been fairly reflected in the financial statements.</p>	<p>The Council should ensure that any funding agreements entered into with the Government have been fairly reflected in the financial statements.</p>
Information Technology general controls review	
<p>The City Council is IT dependant.</p> <p>In 2020/21 the City Council moved to a new operating model which included moving infrastructure and applications into the cloud platforms and vendor software-as-a-service offerings in accordance with the All-of Government framework.</p>	<p>As part of our 2022 audit, we will perform our usual IT General Controls review. This review consists of two parts. The first is a high level assessment on IT Governance effectiveness. The second is an assessment as to the design effectiveness.</p> <p>We will also obtain an update on how the City Council is doing to embed and increase the maturity of the processes in the new operating model implemented during 2020/21, and to improve capability.</p>
Procurement	
<p>A significant area of spend for the City Council is procuring goods and services needed to deliver their services and achieve the results sought.</p> <p>The City Council’s major projects involve significant procurement decisions and the City Council needs to ensure that lower value procurements (including</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of how the Procurement Strategy is being operationalised in line with the Broader Outcomes Framework;

Audit risk/issue	Our audit response
<p>contract variations) are subject to robust procurement practices.</p> <p>Procurement planning should be considered alongside the Procurement Strategy and Broader Outcomes Framework and procurement undertaken in line with the Procurement Policy.</p> <p>Non-compliance with the City Council's policies and guidance and good practice results in poor procurement decisions and outcomes (including waste and unmanaged probity risks).</p>	<ul style="list-style-type: none"> • follow up on the status of our previous recommendations and update our understanding of progress made by the City Council to address these; • consider how the City Council is addressing emerging risks and issues; • review the revised Procurement Policy against good practice; and • update our understanding of significant procurements undertaken during the year to determine an appropriate level of audit focus and if appropriate, review the application and effectiveness of procurement practices in place for a sample of procurements. <p>Any new areas of focus will be discussed at the time with the City Council.</p>
Contract management	
<p>The City Council has many significant contracting or funding arrangements in place for the delivery of goods and services. To reduce the risk of poor outcomes for the City Council and New Zealanders, it is important that the City Council has effective contract management arrangements in place and follows good contract management practice. This should ensure that both the City Council and suppliers are able to meet their respective contractual obligations and that the contracts deliver the intended outcomes.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of how the Contract Management Framework is being operationalised; • review the revised Contract Management Policy against good practice; • follow up on the status of our previous recommendations and update our understanding of progress made by the City Council to address these; and • update our understanding of significant contracts entered into during the year to determine an appropriate level of audit focus and if appropriate, review the application and effectiveness of contract management practices in place for a sample of contracts.
Project, programme and portfolio management	
<p>The City Council has a number of significant projects and programmes underway at various stages, from strategic assessment through to completion.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of key projects and programmes and follow up on progress made against our previous

Audit risk/issue	Our audit response
<p>It is important that the City Council has appropriate governance and management arrangements in place to effectively manage significant projects and programmes and realise the expected benefits.</p> <p>Similarly, the City Council also needs to ensure that good practice project management practices are applied to small and medium size projects, appropriate to their risk and complexity.</p> <p>Project and programme management practices should be considered in light of our reported findings and recommendations to date in this area.</p>	<p>recommendations. Our work will involve understanding the City Council's systems, processes and controls in place to ensure projects and programmes are appropriately managed; and</p> <ul style="list-style-type: none"> • update our understanding of how the City Council is lifting its project, programme and portfolio management maturity, including implementing the Project Management Office's (PMO) phased model.
Covid-19: Impact on public sector reporting	
<p>The long-term impact of Covid-19 in New Zealand, and how it might affect public entities, is unknown. However, aspects of the City Council's operations continue to be impacted by Covid-19.</p> <p>These business risks may also have an impact for the financial statements and performance information, and public sector reporting and therefore an audit risk and impact.</p>	<p>We will be updating our understanding of:</p> <ul style="list-style-type: none"> • the risks the City Council faces, and how these are being managed; • the Covid 19 planning and budgeting assumptions; • any Covid-19 response initiatives; • the effect of Covid-19 on the management control environment, strategy, strategic priorities, workforce capacity and capability, and operations; • whether the internal control and reporting systems are in place and functioning effectively; and • Covid-19 delays and potential cost increases in the City Council projects. More specifically, whether a provision may be necessary for contractor claims due to the impact of Covid-19 restrictions; and whether cost claims may need to be expensed rather than capitalised, particularly costs related to the level 4 lockdown period. <p>We will review:</p> <ul style="list-style-type: none"> • the appropriateness of disclosures relating to the impact of Covid-19 on the entity, including how performance is being assessed;

Audit risk/issue	Our audit response
	<ul style="list-style-type: none"> • the reliability of asset valuations; • impairment testing and provisions for bad debts; and • any implications the above factors might have for the audit and audit risk. <p>We will ask the City Council to update its previous Covid-19 risk assessment, and we will review this assessment to identify any potential risks for the audit and develop an audit response to address these risks.</p>
Three water reforms	
<p>The Three Waters Reform programme is expected to result in structural changes to how water supply, wastewater and stormwater assets are owned and managed in the local government sector. This could have a significant impact on the activities performed by the City Council.</p> <p>The City Council should ensure that there is sufficient disclosure about the impacts of the reform (to the extent that the impact is known) within the financial statements.</p>	<p>Because the impact could be significant, but is uncertain, an emphasis of matter paragraph in the audit report remains appropriate.</p>
Wellington City Council Mayoral Taskforce review of Wellington Water	
<p>The City Council has adopted the Mayoral Taskforce’s recommendations. The work on the recommendations is ongoing and we note that the City Council will keep abreast of updates as the Government’s three water reforms are implemented.</p>	<p>We will obtain an understanding of the implementation and the City Council’s response.</p>

Audit risk/issue	Our audit response
Let's Get Wellington Moving (LGWM)	
<p>To deliver on the City Council's 2021/31 Long Term Plan and specific plans for Let's Get Wellington Moving (LGWM), the City Council has entered into arrangements with government and non-government organisations.</p> <p>The City Council engaged external advisors to provide advice on the appropriate accounting treatment for LGWM Projects in the financial statements of project owners and contributors.</p> <p>We note that key to the appropriate accounting treatment is who controls the asset and whether the revenue received (expenditure incurred) is exchange or non-exchange revenue.</p>	<p>We will:</p> <ul style="list-style-type: none"> • gain an updated understanding of the LGWM arrangements; • discuss with the City Council, the accounting treatment of the costs incurred to date and the disclosures in the financial statements; • review the accounting advice received in relation to the above accounting treatment and disclosures; and • update our understanding of how the programme is progressing and how the programme is responding to recommendations that result from internal and external reviews, including any quality assurance reviews. If required, based on our updated understanding of progress, we may consider further detailed work on the programme at that stage. This may include a follow up review of programme governance and/or programme management.
Holidays Act 2003 compliance	
<p>During 2019/20, the City Council completed a review of payroll processes, which identified instances of non-compliance with the Holidays Act 2003 (the Act).</p> <p>The City Council established a project team to review systems configuration and business processes to better understand the areas of non-compliance with the Act. This work has continued into 2021/22. The project is split into two phases: phase one is the rectification of known system configuration and business process issues while phase two will be the remediation.</p>	<p>We will:</p> <ul style="list-style-type: none"> • meet with the project team to obtain an update on the progress of the project; • review the information and calculations available; and • review appropriateness of the accounting and disclosure based on above understanding and information.

Audit risk/issue	Our audit response
<p>The City Council is partway through phase one of the project with a completion date estimated to be early 2022. Following this, the City Council will commence phase two of the project. The outcome of this phase cannot be determined at this time given the current level of reliability of this information. The City Council was unable to quantify its liability at 30 June 2021.</p>	
<p>Configuration and customisations costs for Software-as-a-service (SaaS)</p>	
<p>Entities can sometimes incur significant costs when implementing cloud computing arrangements. Until recently, there has been no specific guidance on this subject in IFRS accounting standards.</p> <p>The IFRS Interpretations Committee recently published decisions clarifying how arrangements in respect of a specific part of cloud technology, (SaaS), should be accounted for. The City Council will need to ensure that costs relating to SaaS are correctly accounted for and appropriate disclosures are included in the financial statements – both parent and group.</p> <p>The key issues are whether such costs:</p> <ul style="list-style-type: none"> • shall be capitalised as an intangible asset and amortised; or • expensed when incurred; or • expensed over the term of the software as a service (SAAS) arrangement (including capitalising as a prepaid service if paid upfront). 	<p>This could be a challenging project and the City Council will need to obtain an understanding of the SaaS arrangements it (and components of its Group) has, complete its own assessment and/or engaging external accounting expertise to help with an assessment of the implications or review the City Council’s assessment and any necessary adjustments to the financial statements.</p>
<p>Adoption of PBE FRS 48 <i>Service Performance Reporting</i></p>	
<p>PBE FRS 48 <i>Service Performance Reporting</i> replaced that part of PBE IPSAS 1 <i>Presentation of Financial Statements</i> that deals with service performance reporting requirements and is effective for annual reporting periods beginning on or after 1 January 2022, i.e. for the City Council, it is for the year ended 30 June 2023.</p> <p>PBE FRS 48 imposes additional reporting obligations on entities. For example, paragraph 44 requires an entity to “disclose those judgements that have the most significant effect on the selection, measurement, aggregation and presentation of</p>	<p>PBE FRS 48 <i>Service Performance Reporting</i> checklist has been provided to the City Council to perform a self-review.</p>

Audit risk/issue	Our audit response
<p>service performance information reported in accordance with this Standard that are relevant to an understanding of the entity’s service performance information”. Paragraph 47 allows an entity to cross reference this disclosure to another document, such as the document that sets out the forecast service performance information. Most of these judgements are made at the time the LTP is adopted.</p> <p>Although it is not yet applicable, we encourage the City Council and management to assess the impact of adopting PBE FRS 48 and consider what disclosure changes will be required in future annual reports.</p>	
<p>The risk of management override of internal controls</p>	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls.</p> <p>Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Auditing standards require us to treat this as a risk on every audit.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • testing the appropriateness of selected journal entries; • reviewing accounting estimates for indications of bias; and • evaluating any unusual or one-off transactions, including those with related parties.

Sector matters

We have identified the following sector matters for the 2021/22 audit.

Audit risk/issue	Our audit response
Rates	
<p>Rates are the City Council’s primary funding source. Compliance with the Local Government (Rating) Act 2002 (LGRA), in rates setting and collection, is critical to ensure that rates are validly set and not at risk of challenge.</p> <p>The City Council should have appropriate processes in place. Where issues or concerns arise, it should seek legal advice, to ensure compliance of its rates and rating processes with legislation.</p>	<p>For 2022, we will again consider the City Council’s compliance with aspects of the LGRA that materially impact on the financial statements.</p> <p>Principally this means a focus on the rates setting process – the consistency and completeness of the resolution and the Funding Impact Statement (FIS), and a review of a sample of differentially set and/or targeted rates to assess whether the matters, and factors used, are consistent with the LGRA.</p> <p>Our review of compliance with legislation is completed for the purposes of expressing our audit opinion. It is not, and should not be seen, as a comprehensive legal review. This is beyond the scope of the audit, and our expertise as auditors.</p> <p>The City Council has the ultimate responsibility for ensuring that it complies with applicable laws and regulations.</p>
Elected members – remuneration and allowance	
<p>The Local Government Act gives the Remuneration Authority (the Authority) responsibility to set the remuneration of local government elected members. The Authority also has the role to approve a local authority’s policy on allowances and expenses.</p> <p>The City Council’s annual report must disclose the total remuneration received by or payable to each member of the local authority in the reporting period.</p> <p>A local authority must disclose remuneration paid or payable to each member from both the local authority and any council organisation of the local authority.</p>	<p>We will:</p> <ul style="list-style-type: none"> • assess the City Council’s compliance with the requirement to disclose the remuneration of each member of the local authority in the annual report against the relevant Local Government Elected Members Determination and any amendment to that Determination; and • confirm the payments are within the Determination set by the Authority.

Audit risk/issue	Our audit response
Audit of Debenture Trust Deed	
<p>Local authorities are able to secure borrowings including using future rates revenue as security. A debenture trust deed provides the benefit of the charge, through a trustee, to the lender.</p> <p>As the City Council's appointed auditor, we also issue an assurance report to the Trustees of the City Council's Debenture Trust Deed (the deed). This requirement is included in the City Council's Trust Deed dated 11 May 2005 and as amended in the Deed of Amendment dated 5 December 2011.</p>	<p>We will agree with the City Council separate terms of engagement in relation to the Debenture Trust Deed.</p>

Please tell us about any additional matters we should consider, or any specific risks that we have not covered. Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

Fraud risk

Misstatements in the financial statements and performance information can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. In considering fraud risk, two types of intentional misstatements are relevant – misstatements resulting from fraudulent reporting, and misstatements resulting from misappropriation of assets.

The primary responsibility for the prevention and detection of fraud and error rests with the Council (as the governing body), with assistance from management. In this regard, we will discuss the following questions with you:

- What role does play in relation to fraud? How do you monitor management's exercise of its responsibilities?
- Has a robust fraud risk assessment been completed? If so, is the satisfied that it had appropriate input into this process?
- How does management provide assurance that appropriate internal controls to address fraud risks are in place and operating?
- What protocols/procedures have been established between the and management to keep you informed of instances of fraud, either actual, suspected, or alleged?
- Are you aware of any actual, suspected, or alleged fraud? If so, have the results of management's investigation been reported to ? Has appropriate action been taken on any lessons learned?

Our responsibility

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and performance information are free from material misstatement resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;
- perform substantive audit procedures; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at oag.parliament.nz/reports/fraud-reports.

Group audit



The Wellington City Council group comprises of the City Council and the following entities:

- Karori Sanctuary Trust
- Wellington Museums Trust
- Wellington Cable Car
- Wellington Waterfront Limited
- Wellington Economic Development Agency Limited (including its subsidiary, Creative HQ)
- Wellington Zoo Trust
- Creative HQ Limited
- Chaffers Marina Holdings Limited (including its subsidiary, Chaffers Marina Limited)
- Wellington International Airport Limited
- Wellington Water Limited

Our auditor's report covers the group as a whole. Our audit approach is developed to ensure we have sufficient information to give an opinion on the group. In designing our group audit approach, we considered the structure of the group and identified the entities which are included in the group financial statements. Each entity is referred to as a component. We have assessed the risks of material misstatement and have identified our approach for each component. The table below shows the work planned for each significant component (other than the City Council which is set out in the earlier sections of the Audit Plan).

Significant component	Work to be performed
Wellington International Airport Limited (WIAL)	<p>This component will be audited by a different Appointed Auditor from another Audit Service Provider, KPMG.</p> <p>WIAL is a for-profit entity. There are no new for-profit standards in the current year.</p> <p>Group instructions will be issued to the component auditor that will specify information we require.</p> <p>We will review the results of KPMG's audit and consider if any of their findings impacts our audit of the group.</p>

Significant component	Work to be performed
	We will obtain WIAL’s audited financial statements and confirm the audited results have been appropriately consolidated into the City Council’s group financial statements.

For non-significant components, we will perform analytical procedures at the group level to identify unexpected movements.

We will report any significant internal control deficiencies to the and management of the group. This will include any deficiencies identified by the group engagement team or brought to our attention by the component auditor. We will communicate deficiencies related to:

- group-wide internal controls; or
- internal controls at each component.

We will also communicate any fraud identified by the group engagement team or brought to our attention by the component auditor.

Our audit process

Initial planning

Initial planning activities include verifying compliance with independence requirements and building the audit team.

Understand your business and environment

We use our extensive sector and business knowledge to make sure we have a broad and deep understanding of the City Council, your business, and the environment you operate in.

Assess audit risk

We use our knowledge of the business, the sector and the environment to identify and assess the risks that could lead to a material misstatement in the financial statements and performance information.

Evaluate internal controls

We update our understanding of internal controls relevant to the audit. This includes reviewing the control environment, risk assessment process, and relevant aspects of information systems controls. Most of this work is done during the initial audit visits. We evaluate internal controls relevant to the audit for the whole financial year, so we consider internal controls relevant to the audit at all visits.

Finalise the audit approach

We use the results of the internal control evaluation to determine how much we can rely on the information produced from your systems during our final audit.

Gather audit evidence

During the final audit we audit the balances, disclosures, and other information included in the City Council's financial statements and performance information.

Conclude and report

We will issue our audit report on the financial statements and performance information. We will also report to the covering any relevant matters that come to our attention.

Enhancing year-end processes

The year-end financial statement close process and the preparation of the annual report requires a large number of resources to be committed to complete it effectively. This diverts the attention of your staff away from the current financial year and focuses them on past events. We want the audit process to run smoothly, and we will work with management to achieve this through the use of a bringing forward the timing of audit procedures.

Substantive audit procedures are traditionally performed after the year-end. Where possible, we will aim to bring audit procedures earlier in the year. This will be focused on:

- year-to-date transactions for revenue, operating expenditure and payroll;
- revaluation of infrastructure assets;
- valuation of investment properties;
- fair value assessment of operational land and buildings assets; and
- impairment assessments for property, plant and equipment.

Completion of these tests earlier in the year should allow for more timely identification and resolution of errors.

This testing will be completed during the interim and pre-final audit. This requires us to have the right information available during this visit to enable us to complete this work.

We will work with management to facilitate getting the information required at the right time. We will communicate with management if information is not available as agreed, including any impact on the year-end audit.

Materiality

In performing our audit, we apply materiality. In the public sector, materiality refers to information that if omitted, misstated, or obscured could reasonably be expected to:

- influence readers' overall understanding of the financial statements and service performance information; and
- influence readers in making decisions about the stewardship and allocation of resources, or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

It is a matter of judgement whether information is material. We consider the nature (qualitative) and amount (quantitative) of each item judged in the surrounding circumstances and its impact. In the public sector qualitative considerations are of equal significance as quantitative considerations. Qualitative considerations are of primary importance in our assessment of materiality in the context

of disclosures for transparency and accountability reasons, and in evaluating any non-compliance with laws and regulations.

The City Council and management need to consider materiality in preparing the financial statements and service performance information and make their own assessment of materiality from a preparer’s perspective. IFRS Practice Statement 2, *Making Materiality Judgements*, provides guidance on how to make materiality judgements from a financial statements preparer’s perspective. Although this guidance is primarily aimed at for-profit entities, the same principles can be applied by public benefit entities. Management and the City Council should not rely on our materiality assessment as a basis for owning and making judgements about the integrity of the financial statements and service performance information.

Financial statements materiality

For planning purposes we have set **overall group materiality** for the financial statements at \$818.3m based on budgeted property, plant and equipment. This is subject to change once the actual results for the current year are available. For this audit we are only applying this overall group materiality to the fair value of property, plant and equipment.

For this audit we have set a lower, **specific group materiality** of \$18.2m for all items not related to the fair value of property, plant and equipment.

Overall group materiality	\$818,270,000
Specific group materiality	\$18,200,000
Group clearly trivial threshold	\$910,000
Overall parent materiality	\$779,310,000
Specific parent materiality	\$17,295,000
Parent clearly trivial threshold	\$864,750

We have set **overall parent materiality** for the financial statements at \$779.3m based on budgeted total property, plant and equipment. This is subject to change once the actual results for the current year are available. For this audit we are only applying this overall parent materiality to the fair value of property, plant and equipment. We have set a lower, **specific materiality** of \$17.3m for all items not related to the fair value of property, plant and equipment.

We also set a lower, **specific materiality** for some items due to their sensitivity. For example, we apply a lower specific materiality to related party and key management personnel disclosures.

We design our audit procedures to detect misstatements at a lower level than overall materiality. This takes account of the risk of cumulative misstatements and provides a safety net against the risk of undetected misstatements.

We will report all uncorrected misstatements to the other than those that are clearly trivial. We consider misstatements of less than \$910,000 to be clearly trivial for the **group** financial statements and misstatements of less \$864,750 to be clearly trivial for the **parent** financial statements unless there are qualitative considerations that heighten its significance. We will ask for each misstatement to be corrected, other than those that are clearly trivial. Where management does not wish to correct a misstatement we will seek written representations from management and the on the reasons why the corrections will not be made.

Misstatements

Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader’s overall understanding of your financial statements and service performance information. The effects of any detected and uncorrected misstatements, individually and in aggregate, are assessed against overall materiality and qualitative considerations.

Overall financial statement materiality does not apply to any matters of effectiveness and efficiency, waste, or a lack of probity or financial prudence.

Materiality for service performance information

At an overall level, we assess whether the service performance information is suitable, given your purpose and the nature of your activities, and whether the reporting allows for an informed assessment of the City Council’s performance. In doing this we consider whether the information is relevant, complete, reliable, neutral, and understandable.

We set materiality for service performance information at an individual measure level based on what we expect would influence readers’ overall understanding, decision making, or assessment of the City Council’s performance. We consider a variety of factors including the level of public interest and potential public risk. Because of the variety of measurement bases applied, we normally express this materiality as a percentage of the reported result.

We have identified the following measures as material and assessed materiality for planning purposes. We will reassess this during the audit.

Ref. in 21-31 LTP	Material measure	Materiality % of the reported result
2.3	<p>Water – Clean and safe</p> <p>Compliance with Drinking Water Standards for NZ 2005 (revised 2008) Part 4 bacterial compliance criteria and Part 5 protozoal compliance criteria)</p>	0%
	<p>Water – Meeting customer expectations</p> <p>Number of complaints about the drinking water’s clarity, taste, odour, pressure or low, continuity of supply, and supplier responsiveness, expressed per 1000 connections (<i>Mandatory measure</i>)</p>	5%

Ref. in 21-31 LTP	Material measure	Materiality % of the reported result
	<p>Water – Efficiency and sustainability</p> <p>The percentage of real water loss from the local authority’s networked reticulation system (including a description of the methodology used to calculate this). Calculated as a regional mean value</p>	5%
	<p>Water – Continuity of supply and resolution of faults</p> <p>Median response time for resolution for urgent call outs (<i>Mandatory measure</i>)</p>	5%
2.4	<p>Wastewater – Compliance and sustainability</p> <p>Dry weather wastewater overflows, expressed per 1000 connections (<i>Mandatory measure</i>)</p>	5%
	<p>Wastewater – Compliance and sustainability</p> <p>(<i>Mandatory measure</i>) Compliance with the resource consents for discharge from the sewerage system, measured by the number of:</p> <ul style="list-style-type: none"> • abatement notices; • infringement notices; • enforcement orders; and • convictions. 	0%
	<p>Wastewater – Meeting customer expectations</p> <p>Number of complaints about the wastewater odour, system faults, blockages, and supplier responsiveness, expressed per 1000 connections (<i>Mandatory measure</i>)</p>	5%
	<p>Wastewater – Continuity of service and resolution of faults</p> <p>Median response time for wastewater overflows (<i>Mandatory measure</i>) (resolution time)</p>	5%
2.5	<p>Stormwater – Continuity of service and resolution of faults</p> <p>(<i>Mandatory measure</i>) Compliance with the resource consents for discharge from the stormwater system, measured by the number of:</p> <ul style="list-style-type: none"> • abatement notices; • infringement notices; • enforcement orders; and • convictions. 	0%
	<p>Stormwater – Meeting customer expectations</p> <p>Number of complaints about stormwater system performance per 1000 connections (<i>Mandatory measure</i>)</p>	5%
6.1	<p>Community Support – Customer focus</p> <p>Occupancy rate of available housing facilities</p>	5%

Ref. in 21-31 LTP	Material measure	Materiality % of the reported result
	Community Support – Customer focus Tenant satisfaction (%) with services and facilities (includes neutral)	5%
	Outcome measure - Social Housing affordability index	5%
	Outcome measure - Social Outcome measure: Healthy Housing Stock - House is damp	5%
6.2	Building and development control – Timeliness Building consents (%) issued within 20 working days	5%
	Building and development control – Compliance Building Consent Authority (BCA) accreditation retention	0%
7.1	Transport – Network condition and maintenance Roads (%) that meet smooth roads standards (<i>Mandatory measure</i>)	8%
	Outcome measure - Economic Residents' perceptions that the transport system allows ease of access to the city	8%
	Transport – Network condition and maintenance Residents (%) satisfaction with the condition of local roads in their neighbourhood	8%

Professional judgement and professional scepticism

Many of the issues that arise in an audit, particularly those involving valuations or assumptions about the future, involve estimates. Estimates are inevitably based on imperfect knowledge or dependent on future events. Many financial statement items involve subjective decisions or a degree of uncertainty. There is an inherent level of uncertainty which cannot be eliminated. These are areas where we must use our experience and skill to reach an opinion on the financial statements and performance information.

The term “opinion” reflects the fact that professional judgement is involved. Our audit report is not a guarantee but rather reflects our professional judgement based on work performed in accordance with established standards.

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mind-set. A sceptical mind-set drives us to adopt a questioning approach when considering information and in forming conclusions.

Exercising professional scepticism means that we will not accept everything we are told at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgements and assumptions and weigh them against alternative possibilities.

How we consider compliance with laws and regulations

As part of the Auditor-General's mandate, we consider compliance with laws and regulations that directly affect your financial statements or general accountability. Our audit does not cover all of your requirements to comply with laws and regulations.

Our approach involves first assessing the systems and procedures that you have in place to monitor and manage compliance with laws and regulations relevant to the audit. We may also complete our own checklists. In addition, we will ask you about any non-compliance with laws and regulations that you are aware of. We will evaluate the effect of any such non-compliance on our audit.

Wider public sector considerations

A public sector audit also examines whether:

- the City Council carries out its activities effectively and efficiently;
- waste is occurring or likely to occur as a result of any act or failure to act by the City Council;
- there is any sign or appearance of a lack of probity as a result of any act or omission by the City Council or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence as a result of any act or omission by the City Council or by one or more of its members, office holders, or employees.

Reporting protocols

Communication with management and the City Council



We will meet with management and the City Council's audit committee throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are "no surprises".

Reports to the City Council



We will provide a draft of all reports to management for discussion/clearance purposes. Once management comments are received the report will be finalised and provided to the City Council.

We will also follow up on your progress in responding to our previous recommendations.

Audit logistics

Our team



Our engagement team is selected to ensure that we have the right subject matter expertise and sector knowledge. Each member of the audit team has received tailored training to develop their expertise.

Our senior audit team members are:

Karen Young	Appointed Auditor
Chris Webby	Engagement Quality Review Director
Handri Goosen	Audit Manager
Leticia Chettiar	Audit Manager
Alice Yung	Supervisor
Alan Clifford	Director, Information Systems Audit and Assurance
Robyn Dearlove	Manager, Information Systems Audit and Assurance
Martin Richardson	Director, Audit Services/Specialist Audit and Assurance Services
Nicol Stevens	Associate Director, Specialist Audit and Assurance Services
Jason Biggins	Tax Director

The Engagement Quality Review (EQR) Director forms an important part of our internal quality assurance process to maintain and enhance the quality of your audit. The EQR Director is an experienced Audit Director who has sufficient and appropriate experience to objectively evaluate the judgements made by the audit team. They are independent from the day to day audit field work, and so can provide an independent challenge to the audit team on their judgements. The EQR will work with your Appointed Auditor and the audit team, but will not have direct contact with you.

Timetable



Based on our discussions with the City Council, we have confirmed that our timetable is:

Matter	Date	Audit NZ	City Council
• Interim/pre-final audit	27 June – 15 July	✓	✓
• Final audit	3 October – 11 November	✓	✓
• Wrap up and reporting	14 - 18 November	✓	
Financial statements			
• Draft financial statements available	3 October		✓
• Provide feedback on financial statements	28 October	✓	
• Final financial statements agreed between us available	9 November		✓
Performance information			
• Final audit	3 October – 11 November	✓	✓
• Draft statement of service provision available	3 October (except for three waters reported results if the finalised audited result from Wellington Water is not available)		✓
• Provide feedback on statement of performance provision information	28 October	✓	
• Final statement of performance provision agreed between us available	9 November		✓
Annual report			
• Full annual report available for audit (draft)	3 October		✓
• Feedback on annual report	28 October	✓	
• Final annual report (inclusive of all changes agreed between us) available	14 November		✓
• Verbal clearance on annual report	18 November	✓	

Matter	Date	Audit NZ	City Council
• Audit opinion provided in draft	28 November	✓	
• Representation letter issued to Council for signing by Mayor and Chief Executive	15 December	✓	
• Audit opinion issued	15 December	✓	
• Printers' proof available	15 December	✓	✓
Summary annual report			
• Summary annual report available	12 December	✓	✓
• Audit opinion issued on Summary annual report	15 December	✓	
Reporting to the Council			
• Paper on the status of the audit and any significant issues arising (post election to new Council not ARS)	(TBC) 8 December	✓	
• Final management report to the Council issued in draft for management's comments	22 December	✓	
Reporting to Audit and Risk Management Subcommittee (ARS)			
• Audit Plan 2022	3 May	✓	
• ARS Workshop (statement of service performance)	30 August		✓
• ARS Workshop (financial statements)	30 August		✓
• ARS Meeting post interim/ pre-final audit management report	14 September	✓	✓

AuditDashboard

In 2021, we used AuditDashboard, our online portal, to transfer files between your employees and Audit New Zealand. Overall, the use of AuditDashboard made it easy to fulfill requests. Real-time status updates provided greater visibility to everyone and helped to keep everyone organised and on the same page.

We will again use AuditDashboard for transferring audits as part of the audit.

Working remotely

Covid-19 restrictions and resultant changes to our own and our client's work locations, including increasing numbers working from home since the start of the pandemic have meant we changed how we worked with our clients over the last two years.

Lockdowns meant that our clients and our auditors did not always have access to their premises and information and had to work remotely. For clients able to work remotely, with access to systems and electronic documentation, as well as being prepared for the audit, audits continued to progress and progress well.

Performing our audit work during higher alert level restrictions confirmed that aspects of our audit work can be done efficiently off-site. We plan to continue to perform aspects of your audit remotely as there are some benefits to you and us of having our team off-site for parts of the audit. For you these benefits include:

- Staging and sending the information we request for audit over an agreed period of time as opposed to having all the information requested ready for our arrival at one agreed date.
- Less time spent on travel, so we will have more time focus on auditing what matters and raising issues earlier.
- Reduction in disbursements as we will incur less travel and overnight costs.
- Less auditor time on site which allows you to get on with your work and enables planned focused conversations when these take place.

To complete audit work off-site and fully obtain the benefits detailed above, you will need to:

- ensure that you can assess your systems remotely; and
- store supporting documents electronically and be able to easily retrieve these.

During the previous audit, we were able to perform the majority of our audit work at remotely. Based on our experience we found that the City Council has good systems and processes in place to facilitate any future off-site work by us.

We recognise different organisations are positioned differently to enable off-site audit work. We will be discussing and agreeing off-site working expectations in conjunction with our information

requests with you as part of your 2022 audit. This will include our continued use of Audit Dashboard to manage our information requests.

Expectations



For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet.

Our respective responsibilities are set out in our audit engagement letter.

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- staff will provide an appropriate level of assistance;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the annual report, financial statements and performance information will be subjected to appropriate levels of quality review before being provided to us.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the audit. We have also published information to help explain the audit process:

<https://auditnz.parliament.nz/good-practice/other-resources/all-about-audits/index.htm>

Health and safety



The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff.

Under the Health and Safety at Work Act 2015, we need to make arrangements with management to keep our audit staff safe while they are working at your premises.

We expect you to provide a work environment for our audit staff that minimises or, where possible, eliminates risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment where required. We also expect management to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

www.auditnz.parliament.nz

PO Box 99
Wellington 6140
Phone: 04 496 3099



The 2020-21 Report theme Framework

Kia whakatōmuri te haere whakamua
Walk backwards into the future, with eyes fixed on the past.

Core
theme

Sub-
themes

Supporting
messages

Working towards Smart City 2040

- Performance achieved or not achieved, the cost of delivery and challenges
- **Continually improving** how we work
- Continuing the community focus of previous reports, highlighting community partnerships

Covid-19 and other challenges

- Challenges and impacts on the year due to the different levels.
- Noting performance **before and after** (Covid impacted only last 4 months of the year).
- Also 3 waters, upcoming spends, key project updates.

Ensuring ongoing delivery against LTP 2018-2028

- Second year of the plan. Update on some key projects.
- Snapshots of where to in the next year from Annual Plan.
- References to the upcoming LTP review – need to **reflect** on where we are to move forward

Our city is changing, but we are planning for the future

- LGWM, Planning for Growth and District Plan review, Central Library
- Not just returning to the pre-Covid place, but being **bold, learning, growing** and creating a vibrant city fit for the future.

Proposed 2021-22 Report Theme Framework - to weave through the report structure

“A City in Transition”

Creating the future we want - a sustainable, creative, inclusive city

- The blueprint for the next decade - responding to the challenges, and reform
- Accommodating growth and shaping the city through Housing, climate change, transport, greener & more inclusive city
- Climate emergency - reducing emissions, mitigating and adapting to the impacts of climate change
- Pōneke Promise – initiatives for a safer city for people to live work and play

The long-tail of COVID - A marathon not a sprint

- Changing the way we work and deliver services
- Pandemic response & recovery - Reaching out, supporting and adapting
- The global reach of COVID – supply chain disruption and cost of delivery

Delivering an ambitious LTP investment programme

- Meeting the infrastructure challenges – fixing the pipes,
- and transport
- Restoring some key community buildings – town hall, central library

A sustainable, effective and collaborative organisation

- Changing Service delivery
- Balancing the books
- Partnerships and improving how we work
- Organisational capability and staff well-being -

ALLOCATION OF LANDFILL SURPLUSES

Kōrero taunaki | Summary of considerations

Purpose

1. This report to Pūroro Tahua | Finance and Performance Committee provides a high level policy framework for allocating landfill surpluses. This policy is forward looking and aims to align with the next Waste Management and Minimisation Plan (WMMP) which will be finalised in 2023.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

Strategic alignment with priority objective areas from Long-term Plan 2021–2031

- Sustainable, natural eco city
- People friendly, compact, safe and accessible capital city
- Innovative, inclusive and creative city
- Dynamic and sustainable economy
- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient and safe place to live
- Safe, resilient and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

Relevant Previous decisions

In December 2021, the Infrastructure Committee:

- i. Noted that a policy will be developed to guide the allocation of landfill surpluses, including determining how much should be allocated to the waste minimisation seed fund. This will be brought back to the Pūroro Waihangā | Infrastructure Committee in June 2022.
- ii. Agreed that officers will progress ongoing co-design and collaboration with mana whenua, key stakeholders and the community between February and October 2022, to refine the waste minimisation initiatives contained in the draft roadmap and to develop a new (draft) WMMP Action Plan and investment plan, with a report to Committee on the progress and outcomes in October 2022.

In June 2020, the Long-Term Planning Committee:

- i. Directed officers to allocate operating surpluses generated through 2020/21 landfill fee increases against activity 2.2.1, for the specific purpose of funding waste minimisation including recycling activities, projects or grants.

Significance

The decision is **rated low significance** in accordance with schedule 1 of the Council's Significance and Engagement Policy.

Financial considerations

- Nil | Budgetary provision in Annual Plan / | Unbudgeted \$X

| Long-term Plan |

Risk

| Low

| Medium

| High

| Extreme

Author	Vincent Kleinbrod, Principal Advisor
Authoriser	Richard Marshall, Manager Financial Planning and Policy Deirdre Reidy, Manager, Finance Business Partnering Siobhan Procter, Chief Infrastructure Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That the Pūroro Tahua | Finance and Performance Committee:

1. Receive the information.
2. Agree the framework as outlined in this paper.
3. Note that funding will be increased, as outlined in this paper, and this framework will be reflected in the 2023-29 Waste Minimisation and Management Plan (WMMP) which is currently under development.

Whakarāpopoto | Executive Summary

2. The Waste Minimisation Act 2008 stipulates that landfill surpluses must be used to implement Councils' WMMPs. WCC does not currently have a policy on how landfill surpluses generated by the Southern Landfill are to be used to fund waste minimisation projects.
3. Under the proposed framework, landfill surpluses are used to expand the funding available in the existing waste minimisation seed funds for the 2022/23 year. The intent is to double the maximum available funding in both funds, up to \$200,000 for general initiatives and another \$200,000 for organic waste minimisation projects. Any additional surplus will be retained for anticipated future operational expenditure, carbon liability considerations and to fund future waste minimisation projects aligning to the next waste management and minimisation plan (WMMP).
4. The proposed framework aligns with the direction provided in the Pūroro Maherehere | Annual Plan/Long-Term Plan Committee in June 2020, stating that officers should allocate operating surpluses generated through 2020/21 landfill fee increase for the specific purpose of funding waste minimisation initiatives including recycling activities, projects or grants.

Takenga mai | Background

Legislative Context

5. In accordance with Section 47 of the Waste Minimisation Act, once a project, grant or initiative is included within the WMMP, the Council can then make grants or advances of money to any person, organisation, or group for the purposes of promoting or achieving effective and efficient waste management or minimisation.
6. The Act provides that Council can use Waste Levy money collected from Central Government, to promote or achieve waste minimisation when it is in line with a Council's WMMP.
7. For non-levy funding, accumulated from landfill profits, the Act (Section 53) further stipulates that such proceeds must be used to implement the Council's WMMP.

-
8. As such, the provisions of the Waste Minimisation Act highlight the importance of the WMMP to inform the Council's expenditure on waste management and minimisation initiatives.

The Wellington Region WMMP (2017-2023)

9. The Waste Minimisation Act 2008 states that territorial authorities must adopt a waste management and minimisation plan (WMMP) that includes objectives and policies, and methods for achieving effective and efficient waste management and minimisation, and how implementation will be funded.
10. In 2017, the Council adopted the Wellington Region WMMP (2017-2023). This Plan includes a local Wellington City Council Action Plan, which details the activities, actions, and initiatives it will implement to promote effective and efficient waste management and minimisation for the City over the life of the Plan.
11. Within the Council's current Action Plan, the Council committed to the provision of grants for stakeholder groups and individuals to develop waste minimisation initiatives. Grants are allocated under a contestable process and guided by the Council's strategic priorities as described in the relevant Long-term Plan.

Strategic Waste Objectives

12. The current WMMP advocates the Council's aspirational vision to be waste free, together, for people, environment, and economy. It also sets a range of waste targets for the Council, including the overall goal to reduce the total amount of waste sent to Class 1 Landfill by a third by 2026.
13. While officers remain committed to implementing the current WMMP, a review of the current WMMP is also progressing in parallel to this implementation work. To date, this review has involved:
14. The development of the preliminary Draft Waste Minimisation Roadmap (2021).
15. Ongoing research to support the development of the new Wellington Region Waste Assessment.
16. Completion of the new Wellington Region Waste Assessment is scheduled for October 2022.
17. As a result of the draft Waste Minimisation Roadmap in 2021, that Council signalled their intent to transition to a **circular economy**, to promote **product stewardship** and commit to more **sustainable waste management** by:
18. Mitigating the environmental impacts of Wellington City by reducing resources used and increasing reuse and recovery of resources
19. Enabling and partnering with communities and businesses to reduce resource use and waste
20. Managing any remaining waste in the most sustainable way and in accordance with the principles of the pūnaha whakarōpū para (waste hierarchy)
21. In turn, these three strategic principles have informed the starting point for the development of the next WMMP Action Plan.
22. As agreed by the Pūroro Waihanga | Infrastructure Committee in December 2021, officers are currently progressing the next WMMP Action Plan through ongoing co-

design and collaboration with mana whenua, key stakeholders, and the community. In summary, this co-design process involves the expansion and refinement of the waste minimisation initiatives contained in the draft roadmap and to develop a new (draft) WMMP Action Plan and investment plan. In accordance with resolutions of the Pūroro Waihanga | Infrastructure Committee in October 2021, the purpose of co-design process is to build on the higher-level initiatives contained in the draft Waste Minimisation Roadmap and how they will be delivered in co-design with the community.

23. As a consequence of this co-design process, the next WMMP can be expected to include a diverse range of WMMP projects and initiatives, which will inform the Council's waste management and minimisation budgets over the next 6-years. It will also likely include a suite of cornerstone waste management and minimisation projects that will be critical in transitioning the Council to a circular economy, to promote product stewardship and deliver more sustainable waste management.
24. In line with previous resolutions from the Pūroro Waihanga | Infrastructure Committee, the co-design process will continue to run over the next four months. A report back to the Committee on the progress and outcomes of the WMMP Action Plan development process will be made later in the year.
25. It is noted that the next WMMP Action Plan will include a breakdown of funding implications for each WMMP initiatives and/or project, and a 6-year investment plan to support the implementation of the next WMMP.

The Southern Landfill

26. The Council owns and operates the Southern Landfill as a critical piece of Wellington's infrastructure. The landfill receives the city's household and commercial waste alongside dewatered sewage sludge, contaminated soil, and asbestos-containing materials.
27. The Southern landfill follows a self-sustaining business model, and user fees cover operational and infrastructure costs. Landfill fees subsidise the Council's kerbside recycling services and processing of the collected recyclables. Landfill revenue is also used to subsidise waste minimisation personnel, initiatives and activities.
28. Waste minimisation activities include the Tip Shop, where people can drop off unwanted items for reuse and resale, commercial composting operations, and various waste minimisation education programmes.
29. As noted above, to support waste minimisation, the Council also provides grants for new waste minimisation initiatives via waste minimisation seed funds.
30. The existing consents for the Southern Landfill expire in June 2026, and this policy framework assumes that a new landfill on top of the old landfill will be implemented after this date (piggyback option), providing space for 15-20 years of residual waste disposal based on current volumes.

Waste minimisation levy and surplus from landfill activities

31. The Waste Minimisation Act 2008 was introduced to encourage waste minimisation in New Zealand. To help achieve this, under the Act on 1 July 2009, a disposal levy was imposed on waste sent to landfill. To further encourage waste minimisation, the Government started increasing and expanding the disposal levy from July 2021. This

means it is becoming more expensive to dispose of waste at landfill. This levy is paid in addition to “general” landfill fees.

32. Currently the waste levy amounts to \$20 per tonne, which is paid upon landfill entry and collected by the Ministry for the Environment (MFE). A portion of the money is then allocated back to each Council to assist with funding and the actual amount depends on the relative size of a territorial authority in terms of population. Wellington City Council receives approximately \$200,000 in total per quarter from MFE.
33. The surpluses from landfill activities arise as incidental surpluses from the implementation of Council’s waste minimisation policy. The Council believes it is appropriate to take a “polluter pays” approach to its solid waste operations, meaning landfill fees should be set at levels that discourage waste generation. In accordance with the Waste Minimisation Act, this means that Councils can charge fees for a facility that are higher or lower than required to recover the costs to provide the service, providing the incentives or disincentives which will promote waste minimisation.
34. As of June 2021, the surplus from the Southern Landfill accumulated to \$13M and had a surplus of \$1.6M in 2020/21. Table 1 below gives a historical snapshot (previous five years) of surpluses generated by the landfill, showing that the landfill generated surpluses in four out of the five years ranging between \$1.1M and \$4.6M. Initial forecasts point to approximately \$2.7M surplus in 2021/22.

Table 1. Landfill (Operating) surpluses *

\$000s	2016/17	2017/18	2018/19	2019/20	2020/21
Opening balance	5,328	9,960	11,294	10,199	11,344
Surplus / (deficit)	4,632	1,334	(1,095)	1,145	1,620
Closing balance	9,960	11,294	10,199	11,344	12,964

*Note the surpluses do not take into account capex requirements.

35. Depending on future Council decisions, landfill surpluses may vary from previous years and be lower than historical surpluses.

Waste minimisation seed funds

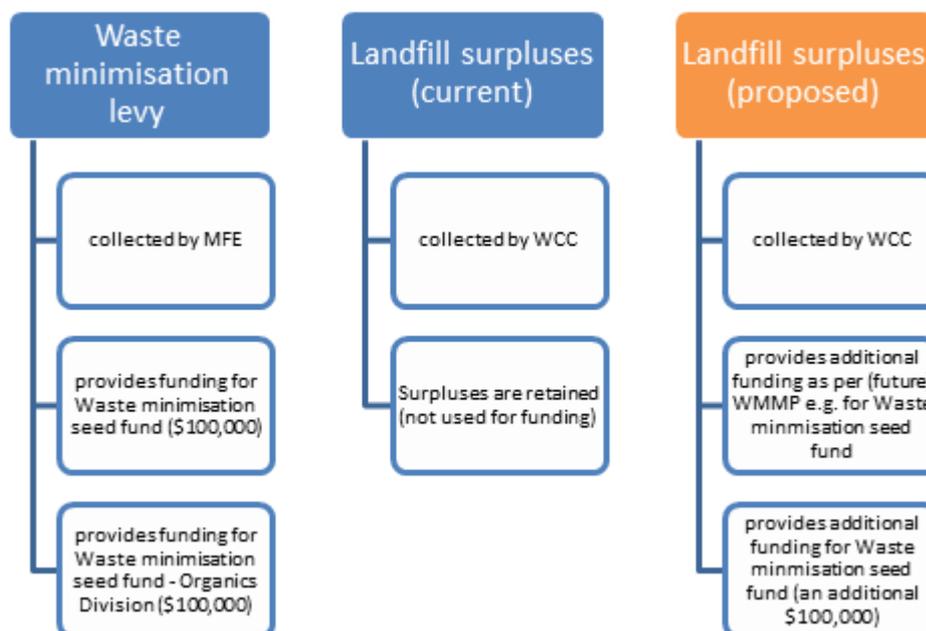
36. Waste minimisation seed funds are one way of providing grant funding for new waste minimisation activities. Currently they are solely funded by the waste minimisation levy, which is the only funding mechanism for grants considered by the WMMP.
37. There are two distinctive seed funds available for new waste minimisation activities, one for general initiatives and a dedicated one for organic waste minimisation initiatives. Both funds are administered by WCC, with slightly different criteria and application requirements¹. There is up to \$100,000 available every year for small and medium waste minimisation projects and another \$100,000 for projects that specifically reduce organic waste.
38. Using the waste minimisation levy to fund other seed funds, or how unused balances are allocated to future waste minimisation initiatives are not part of this policy. This

policy framework considers landfill surpluses (profits when fees are higher than costs) and how they can be used to fund waste minimisation initiatives only.

Kōrerorero | Discussion

Allocation of landfill surplus funding Framework

- 39. The resolution on how landfill surpluses can be used to fund activities is given by meeting minutes of a Pūroro Maherehere | Annual Plan/Long-Term Plan Committee meeting as at 30 June 2020 noting that “Direct officers to allocate operating surpluses generated through 2020/21 landfill fee increases against activity 2.2.1, for the specific purpose of funding waste minimisation including recycling activities, projects or grants”.
- 40. As the intent of the resolution is to fund waste minimisation initiatives using landfill surpluses (from fee increases), we propose that any surplus the Southern Landfill generated in 2021/22 will be used to expand the existing waste minimisation funds in the 2022/23 financial year. For the purpose of this policy, surpluses will be defined as operating profits after taking into account any (future) capital requirements. This capital requirement could incorporate future waste minimisation facilities as part of the landfill operation.
- 41. Figure 1. Existing and proposed framework for funding Waste minimisation seed funds



- 42. The maximum top up doubles the funding that is available – taking the allocation from \$100,000 up to \$200,000 every year for small and medium waste minimisation projects and another \$200,000 for projects that specifically reduce organic waste.
- 43. Any surplus up to \$200,000 is allocated to both seed funds in equal proportions. Any surplus larger than \$200,000 will be retained to fund future waste minimisation initiatives and to cover any future landfill deficits. Any surpluses less than \$200,000 will be allocated pro rata to the funds. If the landfill operations result in a deficit, no

additional funding will be transferred until the landfill has returned to positive carry forward surpluses again.

44. All existing rules around eligibility and application process for above funds will remain the same. Funding will be held back until the new WMMP has been adopted and might be used for further waste minimisation initiatives as see fit in the new WMMP framework.

Kōwhiringa | Options

45. Not applicable.

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

46. The proposed framework will align to the 2023-29 Waste Management and Minimisation Plan (WMMP).

Engagement and Consultation

47. We are currently developing the 2023 WMMP with mana whenua and engaging with community and industry stakeholders.

Implications for Māori

48. Management and Minimisation Plan is being developed in partnership with mana whenua.

Financial implications

49. Financial implications are outlined in the body of this report.

Legal considerations

50. Legal considerations are outlined in the body of this report.

Risks and mitigations

51. Not applicable.

Disability and accessibility impact

52. Not applicable.

Climate Change impact and considerations

53. This will be addressed through Management and Minimisation Plan.

Communications Plan

54. Not applicable.

Health and Safety Impact considered

55. Not applicable.

Ngā mahinga e whai ake nei | Next actions

-
56. A more detailed framework and roadmap for allocating landfill surpluses will be prepared once the draft Waste Management and Minimisation Action plan is further progressed.

Attachments

Nil

CCO FINAL STATEMENTS OF INTENT

Kōrero taunaki | Summary of considerations

Purpose

1. This report to Pūroro Tahua | Finance and Performance Committee is to note the final Statements of Intent for the 2022/23 financial year, from the Wellington Cable Car, Wellington Museums Trust, Wellington Zoo Trust, Basin Reserve Trust, Karori Sanctuary Trust, Wellington Regional Economic Development Agency and the Wellington Regional Stadium Trust.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
- People friendly, compact, safe and accessible capital city
- Innovative, inclusive and creative city
- Dynamic and sustainable economy

Strategic alignment with priority objective areas from Long-term Plan 2021–2031

- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient and safe place to live
- Safe, resilient and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

Relevant Previous decisions

Financial considerations

- Nil Budgetary provision in Annual Plan / Long-term Plan Unbudgeted \$X

Risk

- Low Medium High Extreme

Author	Anna Calver, Manager Economic Wellbeing and CCOs
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That the Pūroro Tahua | Finance and Performance Committee:

1. Receive the information.

Whakarāpopoto | Executive Summary

2. The SOI process is the opportunity for Council to annually outline its expectations for each of its CCOs and ensure the service being received is aligned to Council's strategic priorities and is responding appropriately to the challenges and opportunities of the current environment. CCOs respond accordingly with their strategic focus areas, priority activities, financials and KPIs for the new financial year.
3. Draft Statements of Intent for the 2022/2023 financial year were considered at the 28th April Council meeting, with feedback provided to CCOs in line with the Local Government deadline of 1 May.
4. Final Statements of Intent have been received from our CCOs.
5. The financials as part of WellingtonNZ's final Statement of Intent have not been received. These will be received by the statutory deadline of 30th June. All other feedback around wording and activity has been adopted.

Takenga mai | Background

6. Under the Local Government Act 2002, CCOs are required to submit a draft SOI to the Council by 1 March in the previous financial year.
7. SOIs are informed by Statements of Expectations. This year the Council invited each CCO to respond to how its mahi is helping Council activate relevant strategic priorities; the Long-Term Plan, Kia eke panuku Māori Strategic Direction, Te Atakura: First to Zero, Aho Tini 2030 – Arts, Culture and Creativity Strategy, Strategy for Children and Young People, Economic Wellbeing Strategy and the Accessible Wellington action plan. Each CCO was also provided with specific expectations relating to their organisation.
8. The Statement of Expectation for each organisation was agreed by the Pūroro Tahua Finance and Performance Committee on 18 November 2021.
9. Draft SOIs were considered at the 28th April Council meeting, following a workshop with Councillors earlier that month. The workshop explored how CCOs could better align strategically with WCC and the opportunities they present for Wellington as a destination to live and visit.
10. The Final SOI for Wellington Water Limited will be considered by the Infrastructure Committee.
11. The statutory deadline for receiving final SOIs is 30th June.

Kōrerorero | Discussion

12. All final SOIs have been reviewed and responded positively to the specific feedback provided, with each CCO making the requested amendments.
13. As a general piece of feedback, Council requested CCOs relook at their budgets in line with a more positive visitor outlook and the reopening of New Zealand's borders. All CCOs have revised their budgets accordingly, noting Experience Wellington, Wellington Cable Car, Venues Wellington and Wellington Zoo are still forecasting a deficit.
14. As it is challenging to predict the extent visitor numbers will be affected by Covid, Council will carry these potential deficits as risks in its 2022/23 budget rather than provide a specific CCO Covid Response Support Fund, which was the approach that was taken in 2020.

Ngā mahinga e whai ake nei | Next actions

15. Note the final Statement of Intents. The progress of these will be reported back on quarterly, as part of the Pūroro Tahua | Finance and Performance Committee.

Attachments

- Attachment 1. Basin Reserve Trust SOI 2023 FINAL
- Attachment 2. Basin Reserve Trust 2023 Financials FINAL
- Attachment 3. Wellington Zoo 2023 SOI FINAL
- Attachment 4. Experience Wellington 2023 SOI FINAL
- Attachment 5. Wellington Cable Car 2023 SOI FINAL
- Attachment 6. Sky Stadium 2023 SOI FINAL
- Attachment 7. Zealandia 2023 SOI FINAL
- Attachment 8. Zealanida 2023 Financials FINAL
- Attachment 9. WellingtonNZ 2023 SOI FINAL



Basin Reserve Trust

2022-23 Statement of Intent

Contents

1. Introduction	3
2. Objectives	3
3. COVID-19 Planning	4
4. 2022-23 Activities	4
5. Performance Targets	8
6. Governance	9
7. Finance	9
8. Appendices	12
• 2022-23 Statement of Financial Performance	

1. Introduction

The Basin Reserve: *Our Village Green* – It is the Basin Reserve Trust and Wellington City Council’s vision that the Basin Reserve is highly valued as a public reserve of unique character and is recognised as the premier international cricket venue in New Zealand. The journey to this point has been years in the making with the 1884 Trust Deed conveying the area to the Wellington City Council in Trust so that the Basin Reserve would be “*forever used for the purposes of a cricket and recreation ground by the inhabitants of the City of Wellington*”. In 1998, the Basin Reserve was listed as a Heritage Area, becoming the first sports ground to receive such a designation, and further enhancing its heritage and recreational significance to Te Whanganui-a-Tara.

Today, the Basin Reserve has seen more New Zealand Test matches, and Test victories, than any other ground. It has also been the venue for some of the most remarkable performances in our cricketing history; from JR Reid’s 15 sixes in a first-class innings, to Martin Crowe and Andrew Jones’ World Record partnership of 467 in 1991, and Brendon McCullum’s historic score of 302 in 2014. But the ground not only hosts cricket games, but sporting fixtures of every variety. It has hosted national events and competitions including VE Day celebrations, Royal Tours, exhibitions, Scout jamborees, concerts, and festivals.

The Basin Reserve Trust (BRT) plays a role in contributing to the Wellington City Council 2021-2031 long-term plan and we understand our role in the vision for “*Wellington 2040 – an inclusive, sustainable, and creative capital for people to live, work and play*”. The Trust actively supports the four community outcomes of the long-term strategy and maintain an ongoing alignment to the Council’s strategic direction and statement of expectations.

The Statement of Intent outlines the activities and intentions of the Basin Reserve Trust for the three-year period from 1 July 2022 to 30 June 2025, with a particular focus on the first twelve months to 30 June 2023. It details the BRT’s approach to governance and contains financial information, including the annual budget.

2. Objectives

The objectives of the trust are stated in the Trust Deed as agreed between the Wellington City Council and the BRT and are highlighted below:

1. to manage, administer, plan, develop, maintain, promote, and operate the Basin Reserve for recreation and leisure activities and for the playing of cricket for the benefit of the inhabitants of Wellington
2. to establish a long-term policy for the further development of the Basin Reserve as a recreational facility and as a facility for the playing of cricket, other sports and as a venue for other community-based activities;
3. to enter into management agreements and other contracts that are necessary or desirable to achieve the objects of the Trust;
4. to promote and co-ordinate the raising of funds to assist the management, administration, maintenance planning, promotion, and further development of the Basin Reserve;
5. generally, to do all acts, matters and things that the Trustees consider necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the public of Wellington;
6. to operate as a successful undertaking, managed on a not-for-profit basis.
7. to preserve and enhance the significant and recognised heritage value of the Basin Reserve.

to comply with all legislative and regulatory provisions relating to its operation and performance including statutory and general Council objectives for Council controlled organisations, and to acknowledge the Councils contribution where appropriate

3. COVID-19 Planning

The BRT is committed to the ongoing management and evaluation of risks associated with the enduring COVID-19 global pandemic. The Trust will be working to ensure robust and innovative plans are in place to respond effectively. This includes our continued acknowledgement of the responsibility we have for the social wellbeing of Wellingtonians, finding new ways to operate more efficiently and improving our ability to diversify engagement with local audiences. The key risk identified for the BRT is the ongoing financial impact from revenue lost through cancellation of events that generate a large proportion of the BRT's annual event revenue. The Trust has also identified the need to secure a consistent Naming Rights Partner, and this will be a focus as we enter the final year of the current partnership with Cello and subsequent renewal process.

Organisations that have vigorous plans in place will respond to COVID-19 more successfully than those who neglect the continued need for impetus in this space. The BRT is dedicated to ensuring our plans are continually reviewed and updated to ensure we are in the best possible position to respond.

4. 2022-23 Activities

In-line with the objectives of the Trust Deed, the BRT will focus on the following initiatives in 2022-23;

Events and Functions

The event and function calendar will have a domestic and community focus for the 2022-23 reporting cycle after 12-months of restricted activity due to hosting the ICC Women's Cricket World Cup in March 2022 and general event disruption caused by COVID-19. The Basin will aim to deliver 106 event days, 100 practice days and 60 functions.

An overview of the wide range of events that are planned for 2022-23 are outlined below:

Community and other Sport Events:

The BRT is proud to be a venue for everyone and key events for 2022-23 include:

- **Rugby and Football** – partnerships with Wellington Rugby and Capital Football and now well established with the Basin Reserve serving to provide these two codes with three well used junior rugby and girls' junior football fields
- **Beers at the Basin** – the popular festival that showcases Wellington's craft beer industry will continue to be a summer feature on the Basin's busy event calendar
- **Wine and Food Festival** – the Trust is in the process of partnering exclusively with Arada Promotions [Beers at the Basin Event Promoter] to secure two annual events, which will see the introduction of a Wine and Food Festival (or other similar event) during key annual event windows in November and March
- **Community Cricket** – a wide range of community cricket events will be held including various club competitions finals, the boys and girls Primary School and Secondary School finals, Governor General's XI fixtures and junior cricket field days

- **Ethnic Community Festival** – the BRT will engage with Cricket Wellington regarding the feasibility of hosting an Ethnic Community Festival in October 2022
- **The Basin Reserve Experience** – the Trust is exploring options to generate experience packages at the venue for more people/groups i.e., Corporate and Community Group events

The Trust remains committed to increasing and diversifying the utilisation of the Basin Reserve and will continue to seek opportunities to increase usage of the venue by community and corporate groups, other sports organisations, and event hirers to drive the utilisation of the Basin Reserve as a function venue of choice.

Functions

The BRT has contracted Black and Gold Events to manage and promote the Norwood Room and Long Room in the RA Vance Stand as a venue for conferences, meetings, weddings, celebrations, Christmas functions or team building workshops. In total, 60 functions are expected to be hosted at the venue for 2022-23.

Domestic Cricket

The Basin Reserve is the home of Cricket Wellington and the home ground of the Wellington Firebirds in the Plunket Shield, Ford Trophy and Men's Super Smash, as well as the Wellington Blaze in the Hallyburton Johnston Shield and Women's Super Smash. The Basin also accommodates Cricket Wellington development teams. The Basin is planning to host 55 days of cricket events, with 100 days of use planned for the practice facilities.

International Cricket [Other]

The BRT is holding discussions with New Zealand Cricket regarding opportunities to host a Blackcaps v England Test Match in February 2023. Additionally, the Trust is working in partnership with New Zealand Cricket and Wellington Regional Stadium Trust to secure fixtures against India in October 2022 and Sri Lanka in March 2023. The venue is hopeful of securing a fixture in either series but alternatively will be utilised as a training facility. Finally, confirmation regarding the White Ferns 2022-23 home schedule has not been finalised and subsequently not included in forecasted reporting numbers.

Critically, The Trust has identified that securing international cricket fixtures is crucial for generating revenue and ensuring the ground remains at the forefront for New Zealand Cricket as a venue of choice. Future investment in facilities and general upgrades need to be considered in alignment with enhancing the venue as a modern cricket facility that is fit for purpose for hosting international cricket.

Redevelopment

The Basin Reserve has been under construction for the last three years, with major upgrades completed to key infrastructure including the refurbishment of the Old Pavilion Stand, embankment toilet upgrades, media box extension, perimeter fence and gate upgrades. It remains the BRT's focus to work in partnership with the Wellington City Council on the final redevelopment projects at the Basin Reserve and ongoing maintenance of facilities.

Key projects that the BRT are working with WCC to complete are as follows:

- Picket fence upgrade
- Perimeter fence upgrades
- Permanent camera platforms

- Sightscreens upgrades
- Ground lighting to support 24x7 access
- Additional groundsman storage (between practice cage and Old Pavilion Stand)

The BRT will continue to present the ground to a high standard throughout the year and assist the Wellington City Council to deliver a comprehensive maintenance programme. The Trust is also committed to working with the Council to provide access to the ground 24 hours a day once acceptable and safe levels of lighting have been installed (outside of its normal operational closures).

Sponsorship and Fundraising

The BRT remains committed to assisting with fundraising and sponsorship, while remaining dedicated to exploring further commercial opportunities for the venue generally.

Key opportunities that the BRT are progressing:

- **Naming Rights Partner** – the Trust will enter the final year of its naming right partnership with Cello and will begin renewal conversations in September 2022
- **Commercial Opportunities** – a continued focus is being placed on securing additional commercial opportunities for the venue to diversify revenue opportunities for the Trust, including the potential to re-establish our partnership with Parkable from April – October annually in addition to securing additional signage partners
- **Digital Billboards** – the Trust are also investigating digital billboard opportunities at the Basin Reserve to grow a more sustainable revenue base that would provide the BRT with additional income to support the redevelopment and on-going maintenance

The Trust will report on progress each quarter.

Cricket Wellington and The New Zealand Cricket Museum

The Basin Reserve is the home of Cricket Wellington, the Regional Sports Organisation for cricket in Wellington, and the New Zealand Cricket Museum. The Old Pavilion Stand is home to the Cricket Wellington offices and the national Cricket Museum, which officially reopened in December 2021. The New Zealand Cricket Museum records the history of cricket and tells the story of the Basin Reserve through its newly developed and modernised storytelling and displays.

The Trust recognises the significance of being the home of the New Zealand Cricket Museum as it aligns with the Council's objective of having fit-for-purpose community, creative and cultural spaces. The Museum is a place where people can come to connect, develop, and express their arts, culture, and heritage. This drives additional and diverse visitation to the venue via private group tours, educational school trips, cricket match day experiences and will be open every Sunday to the public from May 2022.

Wellington Regional Stadium Trust (WRST) Turf Services Partnership

The BRT will continue to work in partnership with the WRST to ensure that the Basin reserve outfield, wicket blocks and practice wickets. A significant proportion of the operating grant provided to the BRT from Wellington City Council covers the costs associated with the Turf Services Agreement between the BRT and WRST which are costs that continue to increase year on year.

Māori Strategic Partnership

The Trust is committed to being an exemplary partner in championing the Māori strategic objectives. We are dedicated to building our relationship with the city's two mandated mana whenua organisations, and actively contributing to the realisation of the Māori well-being strategy in partnership with the Council and other CCO's. The Trust is dedicated to being on the waka and supporting the key pillars identified, while also being acutely aware that we must respect the journey and develop trusted relationships with our mana whenua partners. The Trust propose the following focus areas for 2022-23:

Actively find opportunities to support and partner with mana whenua to raise the status and awareness of the Māori language:

- Align with the Te Taihū – to reo Maori Policy to update all venue signage
- Partner with events at the venue to ensure inclusion of te reo Maori i.e., cricket event days
- Collaborate with mana whenua partners to tell the story of the Basin and reflect its cultural heritage visibly in venue

The Trust is also dedicated to upskilling our capability and awareness of the strategic objectives to foster the development of mutually beneficial and collaborative partnerships with mana whenua. Although there has been positive engagement to date, the Trust is seeking opportunities to invest in building stronger relationships and seeking educational opportunities to ensure full integration with the strategic direction for Māori in our region.

Harassment Policies

The BRT is committed to promoting a safe and harassment-free environment for all staff, contractors and attendees at all sporting fixtures and events. In 2019-20 the BRT conducted a review of the event terms and conditions and have not had any incidents reported during the 2021-22 SOI period. The BRT will continue to adopt best practise in this area.

Our Strategic Relationship

The Trust expects to be involved with the strategic development of the venue, in particular the investment in the development/upgrade of key infrastructure in venue and involvement with the annual asset maintenance plan. The Trust intends to play an active role in the CCO collective and understands our position in supporting other CCO strategies and objectives.

Other

As a leading CCO, the BRT will work closely with Wellington City Council to support the vision for Wellington 2040: *An inclusive, creative capital where people like to live – inclusively and sustainably*, with the following initiatives:

- The BRT will ensure that the Te Mapihi Maurea Naming Policy is adhered to at all times
- Te Atakura First to Zero strategy - the BRT was awarded the Toitu Carbon Zero status on 19 December 2019 and will ensure that we remain a carbon zero footprint venue to contribute to the Council's aim of being a zero-carbon capital by 2050. This includes the introduction of bike storage areas at the venue, promotion of scooters and e-bikes as a form of transport to events, and being an advocate for key actions within the Te Atakura First to Zero plan
- The Trust is committed to working with the Council to support the Let's Get Wellington Moving plans and recognise our influence in the development of the project. The Trust will engage constructively with the programme to ensure that the interests of the Basin Reserve are well understood and protected as options are developed for the route encompassing the

venue. The Trust will advocate for the protection of the venue in its entirety and that all plans account for little disruption and/or change to the facilities and its surrounds. The Basin Reserve is an icon for the city, and all plans must respect the history and heritage of the venue

- The BRT will continue to support the Wellington Region Waste Management and Minimisation Plan in conjunction with venue caterers and hirers. This includes utilising specific bins throughout the venue for recycling, glass, and general waste, as well as using a specific bin for grass waste. Furthermore, we now adhere to the Solid Waste Management and Minimisation Bylaw for events of 1,000 people or more. Additionally, we will continue to align with Black and Gold to minimise waste generally, which has seen a significant reduction in plastic waste due to vendors using compostable packaging and the introduction of goblets to replace plastic cups at events
- The BRT will continue to support the Accessible Wellington, The Accessible Journey Action Plan 2019, and continue to allow free lounge access to the Basin Reserve Long Room on match days. Advancing our commitment to the plan, the Trust will engage with the Rainbow Advisory Group to seek guidance and support for how the venue can be an active partner with inclusivity initiatives
- The BRT will ensure it aligns with the strategy for Children and Young People by ensuring the venue is a safe place at all times, specifically aligning with our 24/7 access and lighting plan and partnering with events to ensure our young children and people are safe, welcomed and supported
- The Trust will support the Council regarding the development and implementation of new strategies in the areas of economic wellbeing

5. Performance Targets

In-line with Wellington City Councils 2021-31 Ten Year Plan, the BRT aims to deliver the following performance measures for 2022-23:

Measure	2021-22 Forecast	2022-23 Q1	2022-23 Q2	2022-23 Q3	2022-23 Q4	2022-23 Total	2024 Forecast	2025 Forecast
Quarterly Targets								
Community Events Days	8	1	7	23	0	31	35	40
Cricket Events Days	45	2	19	34	0	55	60	65
Other Sports Events Days	24	6	0	0	14	20	25	25
Practice facility usage (Days)	100	15	45	40	0	100	100	100
Functions*	80	20	10	10	20	60	70	80

**Measured as number of functions held at the venue, not as days as per other performance targets*

Measure	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
Numbers attending events*	40,000	55,000	60,000	65,000
Event Income (\$) –	1,356	1,176	1,200	1,300
Council Operating Grant ^ (\$)	718,040	754,000	791,640	831,230

Measure	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
Cash Subsidy (grant) per attendance (\$)	17.95	13.70	13.19	12.79

^includes turf management fee

*excludes 'open to public' events and accounts for loss of Test Match and reduced attendance capacity due to COVID-19 restrictions

6. Governance

The Trust Deed establishes the BRT under the Charitable Trusts Act 1957 for the purposes of managing and administering the Basin Reserve. Wellington City Council has appointed the BRT to manage the Basin Reserve under a Management Deed (relating to the Basin Reserve). These two key documents set out how the BRT will govern the Basin Reserve.

The BRT is governed by a Board comprising four Trustees, two appointed by Cricket Wellington and two by Wellington City Council. The Board meet at least four times a year and appoint subcommittees as it deems appropriate to fulfil its obligations. The Trustees set the strategic direction for the BRT and approve the Statement of Intent and Annual Business Plan. The Trustees monitor the organisational performance and ensure that the Trust has appropriate policies and procedures to mitigate its risks (including compliance with the Health and Safety at Work Act 2015).

Trust Membership

- Alan Isaac (Chair) (appointed by Wellington City Council)
- Mike Horsley (appointed by Cricket Wellington)
- Councillor Sean Rush (appointed by Wellington City Council)
- John Greenwood (appointed by Cricket Wellington)

Performance Management

The performance of the Trust is measured in part by achievement of agreed KPI's, with regards to operational activities. The Chair of the Board will undertake an annual evaluation of Trustee performance and will provide an update to Council by 30 September 2022. Further, the individual performance of Trustees is monitored by the Wellington City Council (in respect of the two Council-appointed Trustees), and Cricket Wellington (with regards to the two Cricket Wellington-appointed Trustees). Additionally, the Trust Board will supply the Council with a skills matrix in July 2022 and this will be updated annually thereafter.

The Trust acknowledges the need for ongoing professional development opportunities for Trustees and encourages the undertaking of specialist training for identified needs. The Board will, on an annual basis, implement a programme that supports the identified needs. This may include programmes such as that offered by the NZ Institute of Directors (or similar) or specialist knowledge building from appropriate agencies.

7. Finance

The budget is generally conservative which is developed on the basis of breaking even and in line with the activity outlined in this document.

Analysis

The following are the key details and assumptions for the budget that results in a budgeted deficit of \$40k. It should be noted at time of submission, there is significant maintenance expenditure that has been included as part of ongoing discussions with the Council, that is variable.

Revenue - \$1,211,160 is forecast in the budget.

Revenue	Forecast 2021-22*	Forecast 2022-23	% Change	Comment
Council Funding	718,040	753,940	4.9%	Inflation Adjustment
Sale of goods and services	647,406	456,820	-29.43%	Reverts post Cricket World Cup revenue
Interest	255	400	N/A	N/A
Total	1,365,845	1,211,160		

*Forecast until end of FY2021-22

Expenditure

Expenditure of \$1,251,450 is included within the budget.

Expenses	Forecast* 2021-22	Forecast 2022-23	% Change	Comment
Depreciation	108,000	98,900	-8.42%	Lower Asset Base
Costs relating to providing goods and services	1,097,850	981,040	-10.63%	Reverts post Cricket World Cup expenditure
Other expenses	234,550	171,510	N/A	N/A
Total	1,440,400	1,251,450		

*Forecast until end of FY2021-22

The expense side of the budget has been developed based on business as usual and a realistic estimate of the costs associated with operating the BRT.

Capital Expenditure

Capital Expenditure is forecast at \$100k.

Cashflow

Cashflow varies throughout the year as key revenues from grants are received quarterly.

Risks

The main financials risks are as follows:

- Inability to secure and host Beers at the Basin and Wine and Food Festival
- Concession agreement with Black and Gold is terminated
- Inability to secure international fixtures
- The domestic cricket season doesn't proceed as planned
- Increased repairs and maintenance are required
- Continued disruption to events due to COVID-19

Estimate of amount intended for distribution

There is no intention to pay out reserves to stakeholders.

Acquisition procedures

There is no intention to make any acquisitions.

Estimate of commercial value of stakeholder's investment

N/A

Appendix A

- 2022-23 Statement of Financial Performance

FORECAST FINANCIAL STATEMENTS

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING

FYE 30-Jun-22		Qtr to 30-Sep-22	Qtr to 31-Dec-22	Qtr to 31-Mar-23	Qtr to 30-Jun-23	FYE 30-Jun-23	FYE 30-Jun-24	FYE 30-Jun-25
\$		\$	\$	\$	\$			
718,039	Revenue	376,970	-	376,970	-	753,940	791,640	831,230
-	Council funding	-	-	-	-	-	-	-
580,175	Grants other	51,230	106,280	261,280	38,030	456,820	351,820	455,000
400	Sale of goods and services	100	100	100	100	400	300	300
	Interest revenue							
1,278,614	Total Revenue	428,300	106,380	638,350	38,130	1,211,160	1,143,760	1,286,530
	Expenses							
106,500	Depreciation of property, plant and equipment	23,600	25,100	25,100	25,100	98,900	98,400	96,400
973,840	Costs related to providing goods and services	199,540	244,430	342,570	194,500	981,040	818,000	912,000
242,025	Other expenses	38,760	38,965	38,965	54,820	171,510	166,000	201,000
1,322,365	Total Expenses	261,900	308,495	406,635	274,420	1,251,450	1,101,400	1,209,400
(43,751)	Surplus/(Deficit) for the Year	166,400	(202,115)	231,715	(236,290)	(40,290)	42,360	77,130

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL POSITION

As at 30-Jun-22		As at 30-Sep-22	As at 31-Dec-22	As at 31-Mar-23	As at 30-Jun-23	As at 30-Jun-23	As at 30-Jun-24	As at 30-Jun-25
\$		\$	\$	\$	\$	\$	\$	\$
	Assets							
	Current Assets							
358,549	Bank accounts and cash	581,919	368,019	566,049	377,149	377,149	333,889	339,819
50,000	Debtors and prepayments	10,000	10,000	100,000	50,000	50,000	98,200	96,200
408,549	Total Current Assets	591,919	378,019	666,049	427,149	427,149	432,089	436,019
	Non-Current Assets							
462,000	Property, plant and equipment	438,400	463,300	438,200	463,100	463,100	464,700	468,300
462,000	Total Non-Current Assets	438,400	463,300	438,200	463,100	463,100	464,700	468,300
870,549	Total Assets	1,030,319	841,319	1,104,249	890,249	890,249	896,789	904,319
	Liabilities							
	Current Liabilities							
188,000	Creditors and accrued expenses	204,010	228,765	271,630	294,560	294,560	269,370	199,770
69,200	Income received in advance	46,560	34,920	23,270	22,630	22,630	12,000	12,000
257,200	Total Current Liabilities	250,570	263,685	294,900	317,190	317,190	281,370	211,770
257,200	Total Liabilities	250,570	263,685	294,900	317,190	317,190	281,370	211,770
613,349	Total Assets less Total Liabilities	779,749	577,634	809,349	573,059	573,059	615,419	692,549
	Trust Equity							
100	Contributed capital	100	100	100	100	100	100	100
657,000	Accumulated surpluses	613,249	779,649	577,534	809,249	613,249	572,959	615,319
(43,751)	Current period earnings	166,400	(202,115)	231,715	(236,290)	(40,290)	42,360	77,130
613,349	Total Trust Equity	779,749	577,634	809,349	573,059	573,059	615,419	692,549

BASIN RESERVE TRUST

STATEMENT OF CASH FLOWS FOR THE PERIODS ENDING

FYE 30-Jun-22		Qtr to 30-Sep-22	Qtr to 31-Dec-22	Qtr to 31-Mar-23	Qtr to 30-Jun-23	FYE 30-Jun-23	FYE 30-Jun-24	FYE 30-Jun-25
\$		\$	\$	\$	\$	\$	\$	\$
	Cash Flows from Operating Activities							
718,040	Receipts of council funding	376,970	-	376,970	-	753,940	791,640	831,230
-	Receipts of grants other	-	-	-	-	-	-	-
597,400	Receipts from sale of goods and services	20,000	80,000	150,000	20,000	270,000	270,000	385,000
400	Interest receipts	100	100	100	100	400	300	300
(1,267,751)	Payments to suppliers and employees	(197,700)	(250,000)	(309,040)	(189,000)	(945,740)	(965,200)	(1,075,600)
(20,000)	GST (net)	24,000	6,000	(20,000)	30,000	40,000	(40,000)	(35,000)
28,089	Net Cash Flows from Operating Activities	223,370	(163,900)	198,030	(138,900)	118,600	56,740	105,930
	Cash Flows from Investing and Financing Activities							
(69,900)	Payments to acquire property, plant and equipment	-	(50,000)	-	(50,000)	(100,000)	(100,000)	(100,000)
(69,900)	Net Cash Flows from Financing Activities	-	(50,000)	-	(50,000)	(100,000)	(100,000)	(100,000)
(41,811)	Net Increase/(Decrease) in Cash for the Year	223,370	(213,900)	198,030	(188,900)	18,600	(43,260)	5,930
400,360	Add opening bank accounts and cash	358,549	581,919	368,019	566,049	358,549	377,149	333,889
358,549	Closing Bank Accounts and Cash	581,919	368,019	566,049	377,149	377,149	333,889	339,819

ACCOUNTING POLICIES

BASIN RESERVE TRUST

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2023

ACCOUNTING POLICIES APPLIED

BASIS OF PREPARATION

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future. To support this assumption, the Trust has relied on a Letter of Comfort received from the WCC, stating that "the Council will provide such support where necessary to maintain financial viability".

GOODS AND SERVICES TAX

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

INCOME TAX

The Trust is registered with the Charities Commission and is thus exempt from income tax under the Income Tax Act. The Trust is not exempt from the need to comply with indirect tax obligations such as Goods and Services, Fringe Benefit and Entertainment and accordingly complies with those obligations that are applicable.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Grants

Council and other grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if the conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sale of goods

Revenue from the sale of goods is recognised when the goods are sold to the customer.

Sale of services

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2023

Donated Assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

Interest revenue

Interest revenue is recorded as it is earned during the year.

Administration and overhead costs

These are expensed when the related service has been received.

Bank accounts and cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Property, plant and equipment

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amounts.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Leasehold improvements	4 to 45.5 years	(2.20% to 25.20%)
Drainage works	14 to 18 years	(5.50% to 7.20%)
Furniture & fittings	2.5 to 8.5 years	(12.00% to 48.00%)
Plant	3 to 6.5 years	(16.20% to 33.00%)

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2023

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 Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Tier 2 PBE Accounting Standards applied

The Trust has not applied any Tier 2 Accounting Standards in preparing its financial statements.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies from those used in the previous financial year.

FORECAST FINANCIAL STATEMENTS

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING

FYE 30-Jun-22	Revenue	Qtr to 30-Sep-22	Qtr to 31-Dec-22	Qtr to 31-Mar-23	Qtr to 30-Jun-23	FYE 30-Jun-23
	Grant Income					
718,039	Grant Wellington City Council	376,970	-	376,970	-	753,940
-	Grant Other	-	-	-	-	-
<u>718,039</u>		<u>376,970</u>	<u>-</u>	<u>376,970</u>	<u>-</u>	<u>753,940</u>
	Ground Hire Income					
346,031	Ground Hire International Cricket	-	10,000	150,000	-	160,000
67,500	Ground Hire Domestic Cricket	-	36,250	36,250	-	72,500
3,450	Ground Hire Winter Sports	1,200	-	-	1,800	3,000
26,143	Ground Hire Other Events	11,000	30,000	35,000	5,200	81,200
<u>443,124</u>		<u>12,200</u>	<u>76,250</u>	<u>221,250</u>	<u>7,000</u>	<u>316,700</u>
	Other Income					
30,000	Concession Income	7,500	7,500	7,500	7,500	30,000
65,638	Sponsorship	21,880	21,880	21,880	21,880	87,520
12,368	Rent	4,000	-	5,000	1,000	10,000
3,000	Picket Fence Income	650	650	650	650	2,600
6,045	Miscellaneous Income	5,000	-	5,000	-	10,000
<u>117,051</u>		<u>39,030</u>	<u>30,030</u>	<u>40,030</u>	<u>31,030</u>	<u>140,120</u>
	Interest Income					
400	Interest income	100	100	100	100	400
<u>1,278,614</u>	Total Income	<u>428,300</u>	<u>106,380</u>	<u>638,350</u>	<u>38,130</u>	<u>1,211,160</u>

FORECAST FINANCIAL STATEMENTS

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING

FYE 30-Jun-22	Expenses	Qtr to 30-Sep-22	Qtr to 31-Dec-22	Qtr to 31-Mar-23	Qtr to 30-Jun-23	FYE 30-Jun-23
	Building Expenses					
3,000	Repairs & Maintenance	12,000	2,500	12,000	12,000	38,500
22,050	Cleaning	20,600	20,600	2,000	20,600	63,800
12,950	Electrical Services	4,000	1,500	4,000	1,500	11,000
14,550	Fire System	3,450	3,450	3,450	3,450	13,800
8,000	Painting	5,000	2,000	2,000	2,000	11,000
12,500	Pest Control	3,400	3,400	3,400	3,400	13,600
4,050	Plumbing	500	2,000	1,500	1,500	5,500
250	Other	-	300	-	300	600
<u>77,350</u>		<u>48,950</u>	<u>35,750</u>	<u>28,350</u>	<u>44,750</u>	<u>157,800</u>
	Ground Expenses					
1,580	Electrical Services	500	500	500	500	2,000
1,550	Equipment Hire	100	500	500	100	1,200
1,980	Cleaning	800	300	800	300	2,200
2,000	Irrigation	-	2,500	-	-	2,500
2,500	Painting	1,200	800	600	1,500	3,900
-	Plumbing	-	800	800	-	1,600
18,600	Rubbish Removal	4,400	9,680	31,760	4,400	50,240
850	Structures Repairs & Maintenance	1,000	1,000	1,000	1,000	4,000
403,800	Turf	95,000	120,150	120,150	95,000	430,300
<u>432,860</u>		<u>103,000</u>	<u>136,030</u>	<u>156,110</u>	<u>102,800</u>	<u>497,940</u>

FORECAST FINANCIAL STATEMENTS

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING

<u>FYE</u> <u>30-Jun-22</u>		<u>Qtr to</u> <u>30-Sep-22</u>	<u>Qtr to</u> <u>31-Dec-22</u>	<u>Qtr to</u> <u>31-Mar-23</u>	<u>Qtr to</u> <u>30-Jun-23</u>	<u>FYE</u> <u>30-Jun-23</u>
	Occupancy Expenses					
6,300	Gas	2,100	2,100	3,000	2,100	9,300
40,800	Electricity	12,400	12,400	12,400	12,400	49,600
47,400	Rates	12,000	12,000	12,000	12,000	48,000
15,850	Security	4,500	4,500	4,500	4,500	18,000
3,800	Telephones & Internet	2,000	2,000	2,000	2,000	8,000
22,050	Water Rates	4,000	6,000	6,000	4,000	20,000
6,580	Television	1,800	1,800	1,800	1,800	7,200
1,250	Insurance	640	-	660	-	1,300
<u>31,950</u>	Consumables Laundry & Toilet	<u>8,000</u>	<u>8,600</u>	<u>8,600</u>	<u>8,000</u>	<u>33,200</u>
175,980		47,440	49,400	50,960	46,800	194,600
	Event Running Expenses					
280,400	Event Running	-	20,500	105,000	-	125,500
<u>280,400</u>		-	20,500	105,000	-	125,500
	Administration Expenses					
15,000	Audit	-	-	-	16,000	16,000
12,000	Accounting	3,000	3,000	3,000	3,000	12,000
75	Bank Fees	20	25	25	80	150
59,600	Consultants	10,740	10,740	10,740	10,740	42,960
<u>100,000</u>	Management Fee	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>100,000</u>
186,675		38,760	38,765	38,765	54,820	171,110

FORECAST FINANCIAL STATEMENTS

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING

<u>FYE</u> <u>30-Jun-22</u>		<u>Qtr to</u> <u>30-Sep-22</u>	<u>Qtr to</u> <u>31-Dec-22</u>	<u>Qtr to</u> <u>31-Mar-23</u>	<u>Qtr to</u> <u>30-Jun-23</u>	<u>FYE</u> <u>30-Jun-23</u>
	Other Expenses					
-	Interest Expense	-	-	-	-	-
6,600	Marketing	-	2,600	2,000	-	4,600
50	Miscellaneous	-	200	200	-	400
650	Picket Fence Expenses	150	150	150	150	600
<u>55,300</u>	Grant Wellington City Council	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
62,600		150	2,950	2,350	150	5,600
	Depreciation Expense					
<u>106,500</u>	Depreciation Expense	<u>23,600</u>	<u>25,100</u>	<u>25,100</u>	<u>25,100</u>	<u>98,900</u>
106,500		23,600	25,100	25,100	25,100	98,900
<u>1,322,365</u>	Total Expenditure	<u>261,900</u>	<u>308,495</u>	<u>406,635</u>	<u>274,420</u>	<u>1,251,450</u>
	Net Surplus (Deficit) for the Period					
<u>(43,751)</u>		<u>166,400</u>	<u>(202,115)</u>	<u>231,715</u>	<u>(236,290)</u>	<u>(40,290)</u>

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL POSITION

	As at 30-Jun-22	As at 30-Sep-22	As at 31-Dec-22	As at 31-Mar-23	As at 30-Jun-23	As at 30-Jun-23	As at 30-Jun-24	As at 30-Jun-25
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Current Assets								
Bank accounts and cash	358,549	581,919	368,019	566,049	377,149	377,149	333,889	339,819
Debtors and prepayments	50,000	10,000	10,000	100,000	50,000	50,000	98,200	96,200
Total Current Assets	408,549	591,919	378,019	666,049	427,149	427,149	432,089	436,019
Non-Current Assets								
Property, plant and equipment	462,000	438,400	463,300	438,200	463,100	463,100	464,700	468,300
Total Non-Current Assets	462,000	438,400	463,300	438,200	463,100	463,100	464,700	468,300
Total Assets	870,549	1,030,319	841,319	1,104,249	890,249	890,249	896,789	904,319
Liabilities								
Current Liabilities								
Creditors and accrued expenses	188,000	204,010	228,765	271,630	294,560	294,560	269,370	199,770
Income received in advance	69,200	46,560	34,920	23,270	22,630	22,630	12,000	12,000
Total Current Liabilities	257,200	250,570	263,685	294,900	317,190	317,190	281,370	211,770
Total Liabilities	257,200	250,570	263,685	294,900	317,190	317,190	281,370	211,770
Total Assets less Total Liabilities	613,349	779,749	577,634	809,349	573,059	573,059	615,419	692,549
Trust Equity								
Contributed capital	100	100	100	100	100	100	100	100
Accumulated surpluses	657,000	613,249	779,649	577,534	809,249	613,249	572,959	615,319
Current period earnings	(43,751)	166,400	(202,115)	231,715	(236,290)	(40,290)	42,360	77,130
Total Trust Equity	613,349	779,749	577,634	809,349	573,059	573,059	615,419	692,549

ACCOUNTING POLICIES

BASIN RESERVE TRUST STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2023

ACCOUNTING POLICIES APPLIED

BASIS OF PREPARATION

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future. To support this assumption, the Trust has relied on a Letter of Comfort received from the WCC, stating that "the Council will provide such support where necessary to maintain financial viability".

GOODS AND SERVICES TAX

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

INCOME TAX

The Trust is registered with the Charities Commission and is thus exempt from income tax under the Income Tax Act. The Trust is not exempt from the need to comply with indirect tax obligations such as Goods and Services, Fringe Benefit and Entertainment and accordingly complies with those obligations that are applicable.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Grants

Council and other grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if the conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sale of goods

Revenue from the sale of goods is recognised when the goods are sold to the customer.

Sale of services

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2023

Donated Assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

Interest revenue

Interest revenue is recorded as it is earned during the year.

Administration and overhead costs

These are expensed when the related service has been received.

Bank accounts and cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Property, plant and equipment

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amounts.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Leasehold improvements	4 to 45.5 years	(2.20% to 25.20%)
Drainage works	14 to 18 years	(5.50% to 7.20%)
Furniture & fittings	2.5 to 8.5 years	(12.00% to 48.00%)
Plant	3 to 6.5 years	(16.20% to 33.00%)

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

**BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2023**

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 Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Tier 2 PBE Accounting Standards applied

The Trust has not applied any Tier 2 Accounting Standards in preparing its financial statements.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies from those used in the previous financial year.

FORECAST FINANCIAL STATEMENTS

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING

	FYE <u>30-Jun-22</u>	Revenue	Qtr to <u>30-Sep-22</u>	Qtr to <u>31-Dec-22</u>	Qtr to <u>31-Mar-23</u>	Qtr to <u>30-Jun-23</u>	FYE <u>30-Jun-23</u>
Grant Income	718,039		376,970	-	376,970	-	753,940
Grant Wellington City Council			-	-	-	-	-
Grant Other	-		376,970	-	376,970	-	753,940
	<u>718,039</u>		<u>376,970</u>	<u>-</u>	<u>376,970</u>	<u>-</u>	<u>753,940</u>
Ground Hire Income	346,031		-	10,000	150,000	-	160,000
Ground Hire International Cricket	67,500		-	36,250	36,250	-	72,500
Ground Hire Domestic Cricket	3,450		1,200	-	-	1,800	3,000
Ground Hire Winter Sports	26,143		11,000	30,000	35,000	5,200	81,200
Ground Hire Other Events	443,124		12,200	76,250	221,250	7,000	316,700
	<u>346,031</u>		<u>-</u>	<u>10,000</u>	<u>150,000</u>	<u>-</u>	<u>160,000</u>
Other Income	30,000		7,500	7,500	7,500	7,500	30,000
Concession Income	65,638		21,880	21,880	21,880	21,880	87,520
Sponsorship	12,368		4,000	-	5,000	1,000	10,000
Rent	3,000		650	650	650	650	2,600
Picket Fence Income	6,045		5,000	-	5,000	-	10,000
Miscellaneous Income	117,051		39,030	30,030	40,030	31,030	140,120
	<u>30,000</u>		<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>30,000</u>
Interest Income	400		100	100	100	100	400
Interest income			100	100	100	100	400
	<u>400</u>		<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>400</u>
Total Income	<u>1,278,614</u>		<u>428,300</u>	<u>106,380</u>	<u>638,350</u>	<u>38,130</u>	<u>1,211,160</u>

FORECAST FINANCIAL STATEMENTS

BASIN RESERVE TRUST STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING

	FYE 30-Jun-22	Qtr to 30-Sep-22	Qtr to 31-Dec-22	Qtr to 31-Mar-23	Qtr to 30-Jun-23	FYE 30-Jun-23
Expenses						
Building Expenses						
Repairs & Maintenance	3,000	12,000	2,500	12,000	12,000	38,500
Cleaning	22,050	20,600	20,600	2,000	20,600	63,800
Electrical Services	12,950	4,000	1,500	4,000	1,500	11,000
Fire System	14,550	3,450	3,450	3,450	3,450	13,800
Painting	8,000	5,000	2,000	2,000	2,000	11,000
Pest Control	12,500	3,400	3,400	3,400	3,400	13,600
Plumbing	4,050	500	2,000	1,500	1,500	5,500
Other	250	-	300	-	300	600
	77,350	48,950	35,750	28,350	44,750	157,800
Ground Expenses						
Electrical Services	1,580	500	500	500	500	2,000
Equipment Hire	1,550	100	500	500	100	1,200
Cleaning	1,980	800	300	800	300	2,200
Irrigation	2,000	-	2,500	-	-	2,500
Painting	2,500	1,200	600	600	1,500	3,900
Plumbing	-	-	800	800	-	1,600
Rubbish Removal	18,600	4,400	9,680	31,760	4,400	50,240
Structures Repairs & Maintenance	850	1,000	1,000	1,000	1,000	4,000
Turf	403,800	95,000	120,150	120,150	95,000	430,300
	432,860	103,000	136,030	156,110	102,800	497,940

FORECAST FINANCIAL STATEMENTS

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING

	FYE 30-Jun-22	Qtr to 30-Sep-22	Qtr to 31-Dec-22	Qtr to 31-Mar-23	Qtr to 30-Jun-23	FYE 30-Jun-23
Occupancy Expenses						
Gas	6,300	2,100	2,100	3,000	2,100	9,300
Electricity	40,800	12,400	12,400	12,400	12,400	49,600
Rates	47,400	12,000	12,000	12,000	12,000	48,000
Security	15,850	4,500	4,500	4,500	4,500	18,000
Telephones & Internet	3,800	2,000	2,000	2,000	2,000	8,000
Water Rates	22,050	4,000	6,000	6,000	4,000	20,000
Television	6,580	1,800	1,800	1,800	1,800	7,200
Insurance	1,250	640	-	660	-	1,300
Consumables Laundry & Toilet	31,950	8,000	8,600	8,600	8,000	33,200
	<u>175,980</u>	<u>47,440</u>	<u>49,400</u>	<u>50,960</u>	<u>46,800</u>	<u>194,600</u>
Event Running Expenses						
Event Running	280,400	-	20,500	105,000	-	125,500
	<u>280,400</u>	<u>-</u>	<u>20,500</u>	<u>105,000</u>	<u>-</u>	<u>125,500</u>
Administration Expenses						
Audit	15,000	-	-	-	16,000	16,000
Accounting	12,000	3,000	3,000	3,000	3,000	12,000
Bank Fees	75	20	25	25	80	150
Consultants	59,600	10,740	10,740	10,740	10,740	42,960
Management Fee	100,000	25,000	25,000	25,000	25,000	100,000
	<u>186,675</u>	<u>38,760</u>	<u>38,765</u>	<u>38,765</u>	<u>54,820</u>	<u>171,110</u>

FORECAST FINANCIAL STATEMENTS

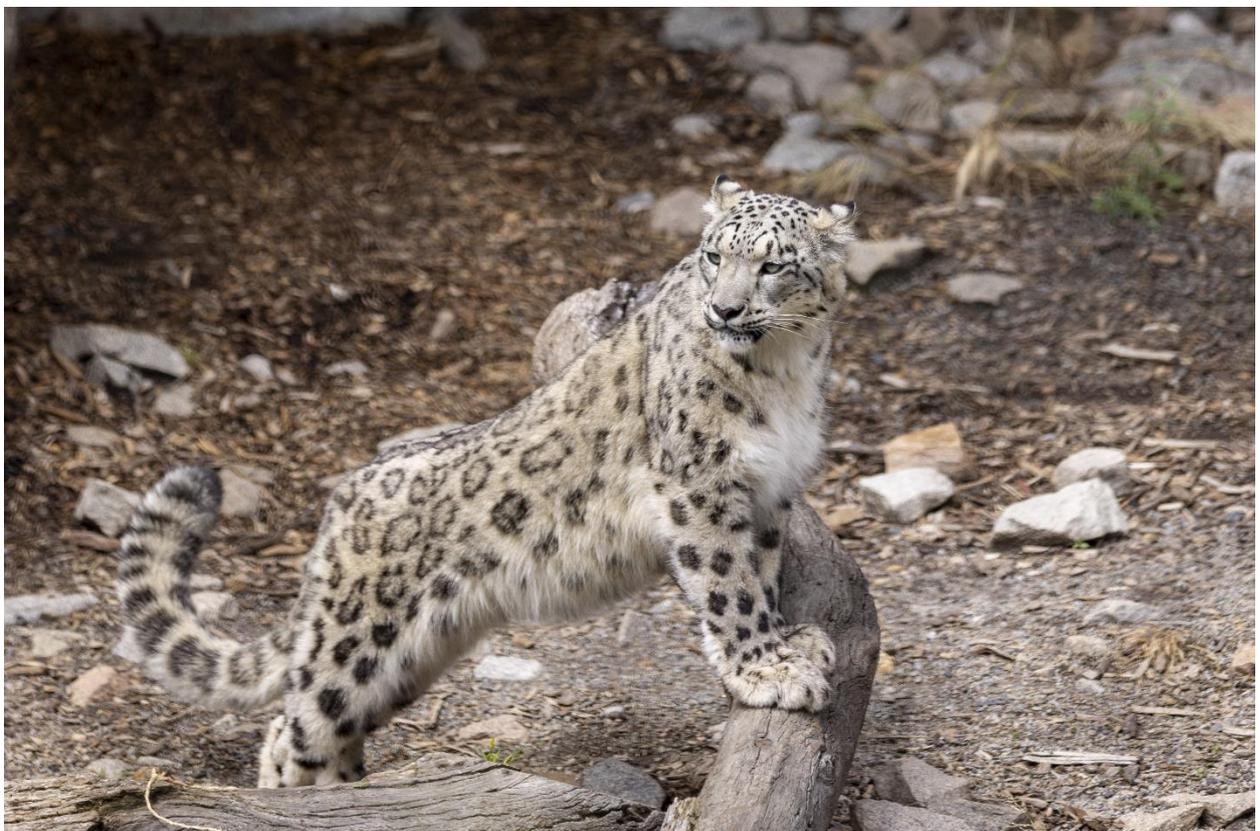
BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING

	FYE 30-Jun-22	Qtr to 30-Sep-22	Qtr to 31-Dec-22	Qtr to 31-Mar-23	Qtr to 30-Jun-23	FYE 30-Jun-23
Other Expenses						
Interest Expense	-	-	-	-	-	-
Marketing	6,600	-	2,600	2,000	-	4,600
Miscellaneous	50	-	200	200	-	400
Picket Fence Expenses	650	150	150	150	150	600
Grant Wellington City Council	55,300	-	-	-	-	-
	<u>62,600</u>	<u>150</u>	<u>2,950</u>	<u>2,350</u>	<u>150</u>	<u>5,600</u>
Depreciation Expense						
Depreciation Expense	106,500	23,600	25,100	25,100	25,100	98,900
	<u>106,500</u>	<u>23,600</u>	<u>25,100</u>	<u>25,100</u>	<u>25,100</u>	<u>98,900</u>
Total Expenditure	<u>1,322,365</u>	<u>261,900</u>	<u>308,495</u>	<u>406,635</u>	<u>274,420</u>	<u>1,251,450</u>
Net Surplus (Deficit) for the Period	<u>(43,751)</u>	<u>166,400</u>	<u>(202,115)</u>	<u>231,715</u>	<u>(236,290)</u>	<u>(40,290)</u>

**Statement of Intent
2022/23-2024/25
Wellington Zoo Trust
Me tiaki, kia ora!**

Pursuant to Section 64B of the Local Government Act (2002)



C O N T E N T S

1. INTRODUCTION	3
2. COVID-19 IMPACTS	3
3. CONTRIBUTION TO OUR CITY and RELATIONSHIP WITH WCC	4
4. STRATEGIC DIRECTION and ALIGNMENT WITH WCC	6
5. SNOW LEOPARDS AND RENEWALS	12
6. PERFORMANCE MEASUREMENTS	16
7. APPROACH TO GOVERNANCE	19
8. HEALTH, SAFETY AND RISK	21
9. ADDITIONAL INFORMATION	25
10. ACCOUNTING POLICIES.....	26
11. FORECAST FINANCIAL STATEMENTS	30

1. INTRODUCTION

Wellington Zoo is the Zoo with the biggest heart – a creative, innovative and progressive zoo which exists to create community value and to solve important social and environmental problems. We have local and global influence in animal welfare, sustainability initiatives, community engagement and conservation outcomes. We live by the kaupapa of **Me tiaki, kia ora!** This means that we **must** care for the planet so that all life will thrive. Tiakina te Taioa is at the heart of what the Zoo is about – protecting the environment and its taonga.

Wellington Zoo Trust will celebrate its **20 year anniversary** in April 2023 and we will celebrate this occasion. While the Zoo itself is 117 years old the Trust model was created in 2003 to better manage the Zoo. We will be undertaking a **master planning, species planning and strategy review** in late 2022 to prepare for the next LTP and to look at the next twenty years for the Trust.

Wellington Zoo is one of the most sustainable zoos in the world. The World Association of Zoos and Aquariums inaugural **Environmental Sustainability Award** was awarded to Wellington Zoo in 2018. We believe that sustainability is an integral part of being an iconic organisation in our livable city, a city **where people live inclusively and sustainably**. From our 2019 community perceptions research, 84% of residents surveyed by Wellington Zoo rate building a sustainable future as important to them. Our success as a cause-related business continues through prudent management and we work hard to be connected and accessible to our diverse community of all ages and cultures locally and beyond. From the same research, 80% of residents surveyed rate spending time as a family as important to them. The animals who are cared for at Wellington Zoo are given the best lives possible and we take pride in being an **Animal Welfare Accredited Zoo** through the Zoo and Aquarium Association Australasia. Again, our research shows that 89% of residents surveyed rate animal welfare as important to them and 85% rate wildlife conservation as important to them.

Planned capital investment through upgrades and renewals will ensure the Zoo remains leading edge and species allow us to tell both local and global conservation stories to drive positive action for the environment within our community. We see our capital investment and asset planning as a response to community expectations of a welcoming, progressive and professional zoo and to create **ongoing resilience** for one of our city's most iconic places.

Wellington Zoo Trust Incorporated is incorporated under the Charitable Trusts Act 1957 and is a not-for-profit organisation.

2. COVID-19 IMPACTS

As New Zealand's capital city Zoo we believe we should be providing a uniquely Wellington experience for whānau, ākongā and other visitor groups from our region and across the country - quirky, fun, professional, creative and personal.

We are well aware of the impacts of COVID-19 on our revenue and we are keeping a watching brief on these impacts. The forecast visitor revenue deficit for this current financial year is \$1,002,540.

While we have received some government support (wage subsidies, business resurgence, STAPP etc) and reduced our expenditure where we can, the forecast operating budget deficit is \$448k for 2021/22.

Together with inflationary pressures on costs we are seeing revenue affected by the constant COVID-19 restrictions and changes. We are experiencing significant cost increases alongside revenue restrictions. New animal habitats, such as for Snow Leopards and Lace Monitors will help drive visitation in the 2022/23 year but by how much and for how long in the current environment is uncertain. Indications are that fundraising may be tighter in the coming three years but we will continue to work hard to raise funds as we can and by

appointing a new café and catering partner, a local Wellington business, using an exclusive catering model to drive business via venue hire and other activities.

While the Trust has adjusted expenditure and made changes to drive revenue streams, we have suffered this year, and will into 2022/23, the impacts of COVID-19 on the business. We have had cancellations of venues bookings, school bookings and COVID-19 has impacted our visitation by 20% this current financial year.

COVID-19 has given us operational challenges with team separation to mitigate infection impacts on critical animal care staff. We are cross training to prepare for any situation so that we can ensure our three goals of keeping the Zoo open, our people safe and animals healthy. Staffing issues will be top of mind for us as more of staff become infected and will need to isolate.

We hope to see a lift in visitation with the arrival of Snow Leopards but it remains to be seen how much given people's reluctance to travel, the ongoing economic uncertainty and inflationary pressures on household discretionary spending. We see the first six months of 2022/23 as being difficult financially and **we are budgeting an operational shortfall of \$487k for 2022/23**. This is all attributable to continuing COVID-19 economic impacts: both reduced visitation (~\$200k) and increasing costs and remuneration pressure. Note this is predicated on a Living Wage increase of 6%, and other staff receiving salary increases of between 0-2%, aside from any resizing.

The Board acknowledges the **\$3,751,894 operational funding in the current Long-Term Plan** for 2022/23. This operating grant from WCC for the 2022/23 financial year incorporates a 4.3% inflationary increase of \$156k. However, this rise to the WCC grant for 2022/23 does not cover the current/predicted inflationary costs which are sitting around 6%. Coupled with our current inability to increase Trust generated visitor revenue, let alone by 6%, this creates pressure on the Zoo's ability to pay increased remuneration which is becoming more necessary, maintain progressive zoo outcomes and cover increasing costs. The WCC Operational funding Grant is 42% of our budgeted expenditure for 2022/23. We are seeking to cover the budgeted \$487k operational deficit through an increase in the Operational funding Grant from WCC for 2022/23 which would mean WCC funding increases to 47% for 2022/23.

While we always look to submit a balanced budget to WCC for the SOI it will be impossible to do so this for the coming year without \$487k in further funding from WCC. Due to the outlined COVID-19 pressures we request an increase to this grant of \$487k which would make the total operating grant \$4,238,894.

3. CONTRIBUTION TO OUR CITY and RELATIONSHIP WITH WCC

As always, we are more than willing to work with WCC and the other CCOs to drive strategic outcomes for the city. By building a strategic relationship with WCC we can share our knowledge and expertise to the benefit of the city as a whole. We have experience in sustainability, visitor engagement, delivering capital projects and health, safety and wellbeing approaches that the city can draw on if required. Our work in Te Ao Māori and cultural competency complements the WCC initiatives in this important area for the capital city.

By being involved in conversations early with WCC we can be better informed about processes such as the LTP, Asset Management and strategic priorities. Our relationship should go beyond reporting to true partnership and collaboration. Better alignment on city issues such as tourism, sustainability, conservation and value for money can only be of benefit to all parties and our community at large. For WCC, having a better understanding of the priorities for Wellington Zoo is also of benefit. An example of this is the digital

and IT support we have worked on together which has brought benefits to both Wellington Zoo and WCC. Visits to Wellington Zoo by Councillors and Council Officers greatly enhance understanding of the complexity of the mahi at Wellington Zoo.

We work from a **'no surprises' approach** with Wellington City Council and have regular communications with the other CCOs and other significant organisations in our city.

Wellington Zoo is a strong contributor to our city, focusing on knowledge, collaboration, innovation and positive action. It contributes to the vibrancy and forward thinking of our city. We aim to be a reflection of our city and contribute, as a cutting-edge cause-related business with talented people, to the thriving cultural and natural heritage of Wellington as a liveable and sustainable city. The Zoo contributes strongly to liveability outcomes by being an integral part of the wellbeing of people in Wellington.

We are working with WellingtonNZ and other partners to ensure economic growth for our city. As previous winners of the Green Gold and Vibrant Gold in the Wellington Gold Awards and the Supreme Award winner of the Wellington Region Business Awards, we are perfectly placed to add value to the economy of our region.

Wellington Zoo will be seen as:

- A **leader in the city in shaping the community's views** on and action for conservation and sustainable living.
- A valued and valuable member of the Wellington regional community that adds to the prosperity of our city through business activity, events, **connections, inclusivity and engagement** for children and their families and other members of our society.
- A substantial player in the drive to position Wellington as a centre for learning about and expertise in **conservation and sustainability**.
- A key contributor to helping the city become internationally competitive, entrepreneurial and innovative by attracting investment in **education, research, tourism and employment** and contributing to the provision of a vibrant city attracting a creative working population.
- An important part of Wellington's history as **New Zealand's first zoo**.
- An important part of the regional fabric that stimulates overall wealth creation, social stability and connects people to conservation and environmental issues. **As our region's only zoo, we are a unique asset for a vision for a sustainable city.**

4. STRATEGIC DIRECTION and ALIGNMENT WITH WCC

Wellington Zoo's strategy 2019-23 aligns with Council Strategies and with Council Priority Objectives over the next three years and integrates te ao Māori, the Global United Nations Sustainable Development Goals (SDGs) and the key strategic focus areas for the Zoo. The strategy outlines the strategic why, how, what approach we have taken, the SDG materiality undertaken with stakeholders and Toitū Envirocare, and the te ao Māori approach underway with Neavin Broughton from Taranaki Whānui ki Te Upoko o Te Ika. The Wellington Zoo strategy is in line with **Wellington City Council's 2040 Vision; Te Tauihu Te Reo Māori Policy; Kia eke panuku Māori Strategic Direction; Te Māpihi Maurea Naming Policy; and Te Atakura, First to Zero strategy.**

The five-year strategy (below) blends the major outcomes for the Zoo into key areas - it embraces our role as an inclusive community organisation, the capital city Zoo and as an organisation that values its people. Using the inspiration of Atua, and based on Te Whare Tapa Whā model of health, we are able to define our areas of focus over the coming years. It is an exciting vision for the Zoo and creates a strategic context for our kaupapa.

We will be starting to develop a new strategic plan in 2023 - the Zoo is taonga for our city and within the Zoo each animal has its own whakapapa. These concepts will be reflected into our new strategy which builds on our current strategic plan's kaupapa.

Wellington Zoo's strategy is for the Wellington Zoo of the 21st century and seeks to take us into a new realm, building on our success of the past few years. We will be using the Zoo's rebuilt physical platform to unlock the potential for Wellington Zoo to be seen as a leader and trusted voice in the conservation of species, engagement with community, excellence in animal welfare and sustainability outcomes. We have combined a global vision with local action so that we can be change makers for a better planet. **This aligns with Council's Aho-Tini Strategy and vision for Wellington as a creative city.**



As a sustainable organisation we must consider the **UN Sustainable Development Goals** (SDGs) in our approach. From consultation with our stakeholders and community we are focussed on the following SDGs: Climate Action; Responsible Consumption and Production; Life on Land; Life Below Water; Quality Education; and Sustainable Cities and Communities. Stakeholder (including Zoo staff) and community research showed these are the most material for the organisation and those we work closely with.

Rather than retrofit the SDGs to what we were already doing, we wanted to be aspirational and make a concerted effort to create new targets for the Zoo based solely on these SDGs. **Using input from the overarching UN goals and guidance from the World Association of Zoos and Aquariums sustainability strategy, *Protecting our Planet***, we have identified two or three targets for each of the six SDGs identified above. Teams across the Zoo are currently gathering data to establish measures in order for us to start working towards these targets from 1 July 2022.

<p>Sustainable Cities & Communities SDG 11</p>	<ul style="list-style-type: none"> • Number of conservation projects which include support for sustainable communities/urban biodiversity • Proportion of visitors taking sustainable transport to the Zoo • Number of Wellington region conservation organisations the Zoo partners/collaborates with
<p>Responsible Consumption & Production SDG 12</p>	<ul style="list-style-type: none"> • Kg/year food waste from animals • Proportion of palm oil containing products purchased by the Zoo which use certified sustainable palm oil
<p>Quality Education SDG 4</p>	<ul style="list-style-type: none"> • Number of children learning about environmental actions (practical sustainability) • Number of visitors sponsored through community partnerships, eg Wellington City Mission, Changemakers Resettlement Forum • Maintain Be: Lab Gold certification
<p>Life on Land SDG 15</p>	<ul style="list-style-type: none"> • Proportion of paper/wood products purchased by or sold at the Zoo that are SC certified • Native biodiversity (plants, animals, fungi) in restoration site and within Zoo • Number of conservation projects that include two or more aspects - social, climate change, local ecological, wider environmental
<p>Life Below Water SDG 14</p>	<ul style="list-style-type: none"> • Proportion of products with single use plastics purchased by or sold at the Zoo • Proportion of ocean originating products purchased by the Zoo that are certified by Marine Stewardship Council • Number of conservation organisations the Zoo partners with which are marine-based or freshwater based
<p>Climate Action SDG 13</p>	<ul style="list-style-type: none"> • Number of media/social media stories about the Zoo with climate change/action messages • Visitor awareness of climate actions they can take (survey) • Number of school children educated about climate change/action

To achieve our strategic direction, we will be continuing our commitment to sustainability and our Toitū net carbonzero certification continues with projects such as the solar power installation on suitable Zoo buildings and increasing the use of EVs in our vehicle fleet. Our recent site-wide project to upgrade our water metering infrastructure will also allow for more targeted initiatives to reduce our overall water usage across the Zoo. We have identified improving relationships with Wellington Water and WCC officers in the three waters area in this SOI period – aligning with the Council’s priority objective for maintaining functioning and reliable three waters infrastructure. **As a Toitū net carbonzero certified organisation since 2013** we will continue to reduce our waste to landfill and work with officers to meet the **Regional Waste Management and Minimisation Plan and the Te Atakura, First to Zero plan**. As we seek to continually reduce waste to landfill and improve waste diversion, we will be completing a new procurement process for all the Zoo’s current waste streams in early 2022, looking for partnership opportunities and new innovations with the chosen service provider.

Our values underpin our strategy and structure and they resound with our approach to being a welcoming, happy place. Our iwi alignment is reflected in the organisational values (below) and we have worked with Taranaki Whānui ki Te Upoko o Te Ika to ensure the correct te ao Māori concepts reflect our intentions. **Our Kanohi Kitea programme over the next four years and beyond will transform us into a bicultural organisation - as is expected of the capital city Zoo and will recognise the importance of Tikanga Māori in the way the Zoo works.**

The first phase of Kanohi Kitea was a two day cultural competency programme, completed by all permanent and fixed term staff last year. On the back of this a **Kanohi Kitea rōpū** has been convened with interested staff members applying to be on the rōpū to help extend the reach of the Kanohi Kitea throughout the organisation. This rōpū will support staff members as we move into the next phase of Kanohi Kitea, developing our te reo Māori and tikanga Māori knowledge and skills.



Aligning with Council Strategy

The work of the Zoo supports the 2040 vision for our city – an inclusive, creative capital where people like to live. Wellington Zoo's strategy reflects the expected WCC community outcomes underpinning this vision - environmental, social, cultural and economic wellbeing. The Zoo is an iconic asset for our city and as our city population grows there will be an even greater desire for the Zoo to be a sophisticated and accessible attraction which delivers 21st century conservation programmes and action.

Wellington Zoo Trust's strategic areas are aligned to:

Environmental Wellbeing

Our end game is **to save wildlife and wild places, locally and globally.** We have a global conservation remit. We strive to show thought leadership in global conservation and sustainability by involvement with global partners and by taking leadership roles in both the world and regional zoo professional community. We are respected in the zoo profession for our success in sustainability and we are a leading example of conservation investment and on the ground conservation outcomes.

In 2020 we launched our **Conservation Strategy**, aligned with our overarching strategy, which focuses on our conservation efforts, resources and investment until 2023. The Conservation Strategy reinforces *Me Tiaki, Kia Ora!* as our kaupapa and brings together conservation and sustainability for saving wildlife and wild places.

It sets out measurable actions in five areas: recognition and involvement of the Zoo's conservation expertise; effective field partnerships for long-term conservation outcomes; focused investment in conservation innovations; and integrating the UN SDGs.

We are a key stakeholder in collaborative conservation breeding as well as science and veterinary research programmes within the zoo community, with other conservation agencies and higher learning organisations in Wellington, across New Zealand and beyond.

Our **Species Plan** focuses on the number of critically endangered, endangered and vulnerable species we care for at the Zoo and those we support through our conservation programmes in the animal's range state. This plan is reviewed annually and redefined as we better align the animals we care for to the critical need in the wild. This plan sets out our priorities for the next year, five years and twenty years.

The **field conservation programmes** for critically endangered; endangered and vulnerable species in their range state that we support are: Sumatran Tigers through Wildcats Conservation Alliance; Tasmanian Devils through Save the Devil Program; Malayan Sun bears through Free the Bears; Cotton Top Tamarins through Proyecto Titi; Black and White Ruffed Lemurs and Ring-tailed Lemurs through the Madagascar Fauna and Flora Group; White-cheeked Gibbons through Fauna and Flora International, Vietnam; Cheetah through Cheetah Outreach; Kea through Kea Conservation Trust; Grand and Otago Skinks with DOC; Kororā and Tawaki through West Coast Penguin Trust; and Golden Lion Tamarins through Associação Mico-Leão Dourado. We have recently signed an MOU with Mountain Spirit, a conservation partner based in Nepal that works with local communities to protect mountain communities, cultures, and biodiversity including Snow Leopards.

In late 2019 we launched our inaugural **local conservation grants** programme benefitting Wellington Region conservation projects. In late 2021 we awarded new grants to projects (NB: Rēkohu Chatham Islands are included as part of our local Rongotai Electorate): remote camera monitoring of Tāiko in the Tuku Nature Reserve and Sweetwater Conservation Covenant (Chatham Islands Tāiko Trust); Porokapa 2022 (Makara Peak Mountain Bike Park Supporters Inc); He Kākano Nursery Infrastructure (Pae Tū Mōkai o Taurira

Incorporated Society); Conservation of Wellington's Little Blue Penguins/Kororā around the coastline (Forest & Bird/Places for Penguins); New Zealand native bee school ecosystem project (Aladár Lavack – individual); Wellington Cable Car Bird Strike Prevention Project (Urban Wildlife Trust); Wooden trapping tunnels made by Scouts for local conservation projects to eradicate rats in the local community (1st Waterloo Scout Group); Pīngao and spinifex restoration trial (propagation, planting, and plant protection) at Ōkorewa Lagoon near Lake Ferry (South Wairarapa Biodiversity Group); Kārearea/New Zealand Falcon, Honour and Quentin's scrape and chick protection project (South Wairarapa Biodiversity Group).

The Nest Te Kōhanga, our state-of-the-art veterinary hospital, works with a variety of native species. Sick and injured native wildlife make up a significant proportion of the veterinary medicine case load – including many who are classed by DOC as nationally critical. Our success in successfully releasing injured native wildlife back to the wild is above world standard for zoo veterinary hospitals and we take great pride in this achievement.

Climate Action is one of SDG focus areas for our strategy and we have developed a Climate Action Position Statement. Species such as Snow Leopards, which are climate change refugee species, enable us to tell the story of climate change and the resulting impacts on the environment.

The Wellington Zoo **restoration site** project began in 2014 as a collaborative project with Wellington City Council and Wellington Water. The site, adjacent to the Zoo on the town belt, was designated as a mitigation site for damage that was done at the other end of the waterway for Wellington Water's infrastructure. The site was weeded and planted with native plants. Wellington Zoo has kept up maintenance weeding and planting since. Over summer 2021/2022, WCC hired Kaitiaki Restoration to do some more extensive weed control to prepare the site for a final inspection by Greater Wellington as required by the resource consent that allowed it to be used as a mitigation site. A fourth year Victoria University of Wellington student has been doing a research project to take a biodiversity survey within the Zoo site and the restoration site (covering birds, skinks, and habitat quality) which can be used as a baseline for future comparisons, this will be completed in 2022.

Social Wellbeing

Wellington Zoo is inclusive for all sectors of our community – our visitor mix is diverse and we ensure that all visitors feel safe and respected. Our visitor numbers continue to grow. Our visitor feedback is positive and people are enjoying the continual change in the Zoo.

Our commitment is to ensure continual improvement in visitor experience to achieve wider engagement within the community. We offer a range of events, discount days and other visitor programmes which ensure we engage our whole community in the work of the Zoo. **Accessibility is important to us as we believe that the Zoo belongs to everyone.**

We have achieved Be. Lab Accessible Gold rating and we continue to improve the Zoo experience for all visitors, so that many more people have access to the Zoo in the ways that best suit them. We have embraced accessibility for the whole community by investing in recommendations from Be.Lab to improve the experience for all people. **This aligns with Accessible Wellington, The Accessible Journey Action Plan 2019.**

We have received **Rainbow Tick Certification** and in our recent staff survey the question with the highest rating (94%) was 'As an LGBTTQIA+ person, being myself at work does not impact how my work is evaluated.' The second most highly rated question (85%) was 'the LGBTTQIA+ leaders in this organisation are visible and can be role models.' Wellington Zoo has presented our Rainbow community initiative to the WCC Takatāpui Rainbow Advisory Council in February 2022. We are very proud of the work we are doing to make the Zoo an inclusive and diverse place.

We have established community partnerships with key organisations in Wellington. We support the Wellington City Mission, Changemakers Resettlement Forum, Wellington Children's Hospital and Ronald McDonald House Wellington. These partnerships enable these organisations to offer the choice of Zoo visits to the whānau they work with. These partnerships have all recently been renewed for a further three years. The Wellington City Missioner refers to the Zoo as a 'healing place' for the people they serve.

Other accessibility programmes include: LEOTC discounted entry for school groups; free **Neighbours' Night** for our Newtown and Melrose locals in conjunction with City Housing and Newtown New World; Welcome Weekend; Winter Wednesdays; and other discounted entry opportunities ensure accessibility for a wider segment of the community.

As a child friendly city and in line with the Strategy for Children and Young People, it's important for Wellington to cater for all young people and their families, and this means providing safe, accessible and enjoyable places for learning and play, and offering community events and activities that are suitable for all. We will support the hauora, or wellbeing, of children and young people by placing a wellbeing focus on the recreational, and environmental programmes we currently deliver for children and young people. **Our own school holiday programmes are well attended and many other external holiday programmes visit the Zoo as part of their offering to the community.**

We have over **70 volunteers** who give their time to help the Zoo achieve its outcomes. We value the assistance we receive from our volunteers and they feel they can add value to the community by being involved with the Zoo.

Cultural Wellbeing

The Zoo is perfectly positioned, as a **multi award winner** in visitor experience, business leadership, vibrancy, sustainability and conservation, to take an active role in delivering conservation and sustainability messages to a large audience of approximately 250,000 visitors on-site and many more online. We create compelling stories with clear calls to action and we craft community campaigns that move beyond simply raising awareness of an issue to driving lasting change and building a better world. Our target market of families, young people and children are engaged in conservation and sustainability messaging and experiences at Wellington Zoo.

Wellington Zoo will continue to build its reputation as a **creative and innovative zoo** by including more opportunities for our visitors to experience multi-layered and multi-sensory learning experiences. We have rich content for storytelling and engagement with communities. We design creative and profound visitor experiences which connect people and animals in ways which inspire communities to take positive action for the environment.

As one of the key environmental education providers in Wellington, the Zoo has a Learning Experience contract with the Ministry of Education (MOE). Over **10,000 school children** annually experience a learning session with our conservation education experts at Wellington Zoo.

The Ministry of Education measures the success of the learning programmes at Wellington Zoo and we continue to receive positive feedback on our educator-led learning sessions and our innovative programmes that align with the Ministry's target areas, including improving education outcomes for Māori and Pasifika learners, special education learners and those from low socio-economic backgrounds. We are investigating ways for us to fund a Māori educator and our Kanohi Kitea programme will give our educators even more skills and knowledge to embrace multicultural outcomes.

Wellington Zoo's **Bush Builders** is a unique environmental literacy programme that helps children to discover for themselves the wonder of the world around them, in their own schools and homes, and to empower them to take positive action in their own communities. This successful programme has influenced over 4,000 students in our region. *Bush Builders* emphasises the importance of building habitats for animals.

Our **relationships and MoUs** with Massey and Victoria Universities, Department of Conservation, Zealandia, Ngāti Koata and Taranaki Whānui ki Te Upoko o Te Ika have enabled collaborative partnerships for conservation medicine, veterinary learning, animal welfare and visitor experience and learning.

Economic Wellbeing

The Zoo's contribution to the economic development of our city is through its financial results, creating a place Wellingtonians can feel proud of, by the **employment** of over 100 people (82 FTE) and by being one of the largest employers in Newtown. We employ key, specialist staff across a range of areas – some are world leading in their field. Our aim is always to retain our people, and in line with our strategic area of Oranga, A Healthy Organisation objectives, we have policies and initiatives that recognise and reward our people. We want our people to thrive. We always face challenges as a fixed cost organisation, especially in areas such as annual salary increases, cost increases from suppliers and other operational costs increases. **We support the Living Wage** ethos and all Wellington Zoo Trust employees are paid at, or above, the Living Wage. This is part of our ongoing remuneration strategy for the Trust. However, current inflationary trends are putting pressure on our ability to pay across the board due to relativities and market changes. Cost of living increases continue to rise and as a not-for-profit trust it is a constant struggle to keep pace. Government salaries increases have put enormous pressure on the Zoo in key areas such as veterinary staff, marketing and communications and managerial roles. However, we have also noticed that the Zoo's brand is attracting quality candidates for our latest roles.

We contribute to the economic success of our **suppliers** from free range egg suppliers to architects. As a well-recognised Zoo, we support the liveability objectives the city has for its citizens.

The Trust will continue to drive for results in its commercial imperatives this year to ensure financial sustainability. As a social enterprise we seek to ensure our **financial sustainability** so that our social and environmental goals can be achieved without further draw on the rate payers. The COVID-19 impacts will make this difficult to achieve but we will be adjusting our expenditure as required and continue to look at revenue opportunities.

5 SNOW LEOPARDS AND RENEWALS

Construction of the new Snow Leopard project started in late December 2021 and is scheduled for completion in late 2022 with WCC capital expenditure in the current LTP finishing in the 2021/22 financial year. The final construction contract price was higher than expected due to external factors driven primarily by COVID-19 on the Wellington construction industry, however through our existing relationship with the construction contractor, they have agreed to a fixed price contract for the entire project, which is highly beneficial in the current economic climate. Piling and excavation works are underway through February and March with the current construction end date of late December 2022. We are planning for visitors to see Snow Leopards in the Zoo during summer 2022/23.

The Trust is currently fundraising the outstanding balance of the project through external fundraising (with current approved funding shown in the table below). We plan to continue to seek funding for the Snow Leopard project in 2022.

Funders		Donation	Funding Application Outcome
Applied Grant Funds	Pub Charity	\$400,000	Approved with 1yr accountability
	Four Winds Foundation	\$75,000	Approved with accountability due Dec. 2021
	Caniwi Capital	\$20,000	Approved
	TG Macarthy Trust	\$150,000	Approved
	Brian Whiteacre	\$15,000	Approved
	Individual Donors	\$55,000	Money donated from 5 individual donors
	J&A Mauger Trust	\$48,819	Approved
	Lion Foundation	\$125,000	
	Air Rescue & Community Services	\$75,000	
	Pelorus Trust	\$40,000	
	Community Fundraising	\$22,761	
		\$1,026,850	Total Funding confirmed (to date)

Planned Grant Fund Applications	Lotteries Significant Project Fund	\$811,702	Second round application in March 2022
	Grassroots Foundation	\$35,000	Application in development
	TG Macarthy Trust Round 2	\$150,000	Application in development
	One Foundation	\$35,000	Application in development
	Pub Charity Round 2	\$50,000	Indications are that the first application is likely to be the only funding to be approved from Pub Charity for this project
	Four Winds Foundation Round 2	\$75,000	Application in development
	Community Fundraising	\$20,000	Individual donors and sales from retail products
		\$1,176,702	Total Funding Potential though not guaranteed(outstanding)

Capital Upgrades	19/20	20/21	21/22	TOTAL
<p>Snow Leopards</p> <p>Snow Leopards are endangered in the wild and are a climate change refugee species, with a population of less than 4,000 thought to exist in their mountainous range state.</p> <p>International research shows that big cats are the biggest draw card for visitors attending zoos. As the only zoo in New Zealand with Snow Leopards, we would be part of the international commitment to protect this species via home range direct conservation action.</p>	308,000	1,677,000	1,717,000	\$3.702m Included in the LTP



Image of the visitor viewing area from Architecture Workshop Developed Design

Asset Renewals

The renewals budget allows us to maintain a resilient asset for the city. We have given the renewals budget precedence in the LTP as we know that reasonably small, enhancing changes can give us excellent animal, staff and visitor outcomes.

The Zoo is working alongside the WCC Strategic Asset Planning team to update and refine the Zoo Asset and associated Asset Management Plan to ensure the ongoing maintenance and renewal of the Zoo asset is carried out strategically using the most up-to-date data available, while also executing our obligations under the **Contract for Services**. The AMP will enable the Zoo to: manage asset lifecycles for a whole-of-life approach with due consideration given to WCC and Zoo joint objectives; provide assurance of funding required to cover existing and future asset renewals and avoid critical failure of ageing infrastructure assets; update any assets not fit for purpose from an animal welfare standard; and resolve any potential Health and Safety issues and the associated reputational risk these issues could bring.

Building on the recently completed existing Zoo asset register realignment with WCC, projects are now underway to update asset valuation and condition assessments in line with market values and best-practice asset management processes. While these projects aren't intended to update the Council's financial asset valuation of the Zoo (approx. \$34mil in WCC asset records), these reports will help inform future, long-term LTP decisions around maintaining the Zoo asset considering current market conditions. We will continue to work with WCC officers to develop our detailed asset management plan in line with Council processes for asset renewals, business continuity and earthquake resilience in readiness for the Council Long-Term Plan development.

One of the challenges of maintaining the Zoo asset is the variable lifecycle ages of structures and animal habitats. As our knowledge of the animals in human care increases, previous habitats and animal care and welfare practices become outdated. Zoos internationally now consider 20 years to be too long and in global experience it is more realistic to plan for a **ten-year life expectancy** for zoo animal habitat assets.

The **significant planned Renewal projects** for the next three years are:

- **Lace Monitor** habitat - iconic Australian animal which will be the introductory species for the *Neighbours* precinct, to be completed July/August 2021;
- **Twilight Te Ao Māhina** – refurbishment of the Kiwi habitats to bring Kiwi back to Wellington Zoo;
- **Southern Hairy Nosed Wombat** habitat - endangered species and iconic Australian animal in the *Neighbours* precinct;

- **Red Panda** habitat – refresh of the Red Panda habitat, service area and visitor space to connect with the new Snow Leopard habitat;
- **Hero HQ** – redesign of this asset to adapt building to new long-term species plan for invertebrates and reptiles;
- **Staff Office and Wellbeing** improvements - as our staff numbers grow the requirement for better staff office areas, accommodation and break spaces is becoming more pressing;
- **Earthquake** prone buildings – removal of and improvements to earthquake prone buildings and walls, including building replacement structures where required for staff office and storage areas;
- **Green Zoo, Green You** refurbishment – emphasis on Climate Action messaging and action;
- **Sustainability** improvements – supporting electricity independence and asset resilience;
- **Venues** improvements – to Kamala’s function space, Archibald Centre and Wild Theatre to provide a wider range of venue offerings and improve the Zoo’s financial sustainability;
- **River Trail & Gibbon** viewing – improving the entry precinct of the Zoo and improved viewing of the Monkey Island areas;
- **Quarantine Facilities** – to replace aging infrastructure and providing more flexible spaces and revitalisation of older buildings to improve functionality for the different species in the Zoo;
- **Electronic admissions** access - to electronically capture visitor numbers to the Zoo; and
- **Perimeter Fence & Security** – to complete the fence renewal and improve security coverage for the Zoo site.

6 PERFORMANCE MEASUREMENTS

For the next three years the following table indicates the measures for WCC to monitor. These are linked to our strategic areas.

Measure	Frequency of Measure	Target 2022-23	Target 2023-24	Target 2024-25	
Visitors	Quarter*	235,540	240,000	240,000	This measure is linked to the Zoo's strategic area of Wairua and Oranga.
Student and education visits	Annual	21,000	21,000	21,000	Conservation education programmes and student self-guided visits. This measure is linked to the Zoo's strategic area of Wairua and Oranga.
Council operating grant per visitor	Annual	\$15.93	\$16.20	\$16.67	This measure is linked to the Zoo's strategic area of Oranga.
Full cost to Council	Annual	<i>Not available from Council for Draft Sol</i>	<i>Not available from Council for Draft Sol</i>	<i>Not available from Council for Draft Sol</i>	This target is generated by Council and is not controlled by the Trust. It includes depreciation and shared services costs, CCO team costs, insurance, CAPEX interest and the OPEX grant.
Trading Revenue per visit (excluding grants and interest)	Annual	\$18.99	\$18.89	\$18.89	This measure is linked to the Zoo's strategic area of Oranga.
Non-Council donations and funding	Annual	392,508	405,000	420,000	Non-Council operational grants, donations, sponsorships and bequests. This target does not include any capital funding. This measure is linked to the Zoo's strategic area of Oranga.
Percentage of operating costs generated by the Trust	Annual	53%	53%	52%	This measure is linked to the Zoo's strategic measure of Oranga.
Trust generated income as percentage of the Council grant	Annual	130%	127%	124%	This measure is linked to the Zoo's strategic area of Oranga.

*Target Visitor Numbers by Quarter 2022-23

Q1	Q2	Q3	Q4	Total
47,600	57,350	70,250	60,340	235,540

Measure	Frequency of Measure	Target 2022-23	Target 2023-24	Target 2024-25	
Measure visitor feedback and satisfaction	Annual	80%	80%	80%	Average visitor satisfaction is 80% or greater. This measure has changed as the new visitor survey measures satisfaction on scale of 1-7, to align with customer experience best practice, rather than the previous scale of 1-10. This measure is linked to the Zoo's strategic areas of Wairua and Oranga.
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo	Annual	25	25	25	This measure is linked to the Zoo's strategic area of Tinana.
Percentage of native animals released to the wild after triage and treatment by The Nest Te Kōhanga (TNTK)	Annual	50	50	50	Post 72-hour period. This measure is linked to the Zoo's strategic area of Tinana.
<i>Removed measure:</i> Percentage of OPEX directly contributed to field conservation	Removed	Removed	Removed	Removed	<i>Removed measure:</i> This framework is no longer being used by ZAA, they have moved to a Conservation database with a broader focus on conservation advocacy, sustainability etc as opposed to a \$ contribution.
Zoo UN SDG targets met	Annual	80%	80%	80%	<i>New measure:</i> Targets for Zoo SDGs have been established and involve the work of teams across the Zoo. These new targets will enable us to push forward our work for a sustainable planet through the SDG framework. This measure links to the Zoo strategic area of Whānau.
Number of field conservation projects supported for vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo	Annual	12	12	12	This measure is linked to the Zoo's strategic area of Hinengaro.
<i>Removed measure:</i> Participate in zoo-based research projects, scientific papers and presentations	Removed	Removed	Removed	Removed	<i>Removed measure:</i> This measure has been removed as research initiatives are broadly represented in both the ZAA accreditation and UN SDG measures.
Maintain Zoo and Aquarium Association accreditation	Annual	Achieved	Achieved	Achieved	ZAA accreditation assesses animal welfare, conservation, sustainability, biosecurity and safety when working with dangerous animals. This measure is linked to the Zoo's strategic areas of Oranga, Tinana, Hinengaro, and Whānau.
Maintain Toitū net carbonzero certification	Annual	Achieved	Achieved	Achieved	This measure is linked to the Zoo's strategic area of Whānau.
Implementing <i>Kanohi Kitea</i> cultural competency programme	Annual	Achieved	Achieved	Achieved	New measure linked to the implementation of this bicultural competency programme. This programme is linked to the Zoo strategic area of Wairua.
Achieve and maintain Rainbow Tick certification	Annual	Achieved	Achieved	Achieved	<i>New measure:</i> Rainbow Tick is a certification mark provided after a diversity and inclusion assessment process. Rainbow Tick is about accepting and valuing sexual and gender diversity in the workplace. This measure is linked to the Zoo's strategic area of Oranga.

Measure	Frequency of Measure	Target 2022-23	Target 2023-24	Target 2024-25	
Health, Safety & Wellbeing Committee meeting attendance	Annual	80%	80%	80%	Measured against those staff available to attend meetings. This measure is linked to the Zoo's strategic area of Oranga. The change of Committee name is linked to legislation and the inclusion of Wellbeing in our HSW Strategy.
Emergency drill or incident debriefs summary delivered	Annual	8	8	8	Debriefing documents developed and key lessons presented to Zoo staff following emergency drills, trial evacuations and real incidents. This measure is linked to the Zoo's strategic area of Oranga.
Volunteer engagement survey completed	Annual	1	1	1	This annual survey measures the satisfaction levels of those volunteering across the organisation. This measure is linked to the Zoo's strategic area of Wairua.
Staff recognition initiative complete	Annual	1	1	1	Annual Gold Agouti Staff Awards. This measure is linked to the Zoo's strategic area of Oranga.
Staff learning and development initiatives completed	Annual	10	10	10	Learning opportunities from both internal and external speakers and providers. This measure is linked to the Zoo's strategic area of Oranga.

7 APPROACH TO GOVERNANCE

Wellington Zoo Trust is a Council-Controlled Organisation (CCO) having been established in 2003 by the Wellington City Council to develop and manage Wellington Zoo.

Relationship with Council

The Trust ensures the ongoing viability of the organisation is maintained through the monitoring of Key Performance Measures. Governing policies have been developed by Trustees to ensure the business of the Trust is managed consistently with its Deed and stated direction.

Trust Deed

Wellington Zoo Trust Deed states the objects of the Trust as follows:

“7.1 The objects for which the Trust is established, to the extent that they are a charitable purpose within New Zealand, are as follows:

7.1.1 To manage, administer, plan, develop, maintain, operate and promote Wellington Zoo as a zoological park for the benefit of the Wellington community and as an attraction for visitors to Wellington;

7.1.2 To educate the community by building an awareness of plant and animal species and the actions required to promote conservation;

7.1.3 To promote species conservation;

7.1.4 To support and complement the conservation and learning activities undertaken by other organisations;

7.1.5 To develop, manage and plan animal species management programmes;

7.1.6 To promote and coordinate the raising of funds to assist the management, administration, maintenance, planning, promotion and further development of Wellington Zoo;

7.1.7 To acquire additional plant and animal species; and

7.1.8 Generally to do all acts, matters and things that the Trustees think necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the Wellington community.”

As part of the ongoing relationship with the Wellington City Council, the Chair and Chief Executive meet with the Mayor and Wellington City Council Chief Executive on a regular basis. The Wellington Zoo Chief Executive meets regularly with Council officers for CCOs and other Council management when appropriate. The Chair and Chief Executive attend Finance and Performance Committee meetings as required.

The Trust’s Statement of Financial Performance and audited accounts will be presented to Council within 60 days of financial year end. These statements include the budget from the SOI for the same period as per the Statement of Expectation and our usual approach to the accounts.

The Trust will disclose any material or potentially contentious transactions that are planned within its annual business plan. Where this is not possible, the earliest practicable notice will be given to Council of such transactions.

Wellington Zoo always publicly acknowledges Council's contribution to the Zoo as much as possible. We are grateful for Council support and seek to acknowledge this at events, animal habitat openings and other appropriate opportunities.

The principles governing the relationship between the Trust and Council will include:

- **A “no surprises” approach;**
- Open communications which acknowledge each partner's objectives and constraints;
- Mutually respectful negotiation of resolution of differences;
- Reciprocal recognition of the requirements of each other's processes; and
- Provision of quarterly reports against agreed KPMs and an annual report within three months of balance date.

Contract for Services

The Trust will continue to provide the core business services that the Zoo has historically delivered to Wellington as part of our **Contract for Services** with Wellington City Council. These can be summarised as follows:

- Strategic direction and operational management of the Zoo;
- Development and maintenance of animal habitats which offer engaging experiences to visitors and high-quality living environments to the resident animals;
- Provision of engaging learning experiences for visitors and community involvement with the Zoo as a community asset;
- Educational curriculum delivery to develop children as contributing citizens;
- A safe and inspiring place for family engagement and community learning;
- Care of the Zoo's animals to achieve excellent levels of health and emotional/psychological wellbeing according to the Five Domains of Animal Welfare;
- Contribution to conservation through advocacy, support for field conservation programmes and sustainable management practices;
- Participation in collaborative inter-zoo, and other conservation agency, programmes;
- Contribution to conservation, scientific, learning and management research projects in the field and on site; and
- Fundraising for the organisation's future sustainability, development and conservation projects.

Trust Board Membership

Name	Term Expires
Craig Ellison (<i>Chair</i>)	31 December 2023
Councillor Fleur Fitzsimons	20 October 2022
Michael Potts	31 December 2022
Ben Bateman	30 June 2023
Nina Welanyk Brown	31 December 2024
Jane Diplock AO	31 December 2024

All Board members are non-executive. A Board Skills Matrix will be provided separately by **31 March 2023** and updated annually.

Board Committees

The Board operates one committee - the Finance, Audit and Risk Committee.

Board Development

The Board conducts an annual review of overall Board performance which determines individual and chair development needs and any other actions required to ensure best practice governance and performance standards are met. The Trust promotes Board development for corporate governance and spends at least ten hours a year on this at Board meetings and additional workshops and discussions. **A report will be tabled to the Wellington City Council Chief Executive on the Board review and outcomes by 30 September 2022.**

8 HEALTH, SAFETY AND RISK

Wellington Zoo Trust Board has a Finance, Audit and Risk Committee which meets quarterly throughout the year. The Board monitors our Risk Analysis and Mitigation Plan at least annually and this document is updated as required. Health, Safety and Wellbeing is currently managed via the Director Safety, Assets and Sustainability who is a direct report to the Chief Executive. The H&S Lead works with our Health, Safety and Wellbeing Committee to ensure safe practices in the Zoo for animals, staff and visitors. All Health and Safety incidents are monitored weekly by the Strategic Management Team (SMT) and by the Board at their regular meetings.

A three-year Health, Safety & Wellbeing (HS&W) strategy has been developed to address improvement areas identified through an external review of the Zoo's systems carried out in April 2021. The external report action items and newly developed strategy were reviewed by the Trust Board in early 2022 and will form the basis for an Annual HS&W action plan, which is developed with the SMT and the Health, Safety & Wellbeing Committee. Progress against the HSW strategy and annual action plan is reviewed at each Board meeting.

As with all our HS&W responsibilities the Board (and other Officers of the Trust) acknowledges and understands its accountability. We have made the appropriate improvements to ensure the new H&S legislation is well managed and that the Trust meets the required reporting, monitoring and reviewing of HS&W objectives. Like all our legal obligations we have our HSW compliance assessed annual by ComplyWith. This external assessment ensures that all legal obligations across the Zoo business are met.

The Zoo's **Risk Matrix** highlights the criticality of maintaining a resilient asset for the city. Impacts of a natural disaster, serious incidents and reputational falters are all potential risks if we are not able to adequately manage or resource the asset management programme and appropriately fund the renewals programmes sufficiently.

Risk Analysis & Control Plan for Wellington Zoo Trust

Risk Identification	Uncontrolled Risk			Risk Control	Risk after Control			Accountability	Responsibility
	Probability	Impact	Risk Value		Probability	Impact	Risk Value		
Natural disasters impacts	0	7	7	Business Continuity Plan. Emergency Management Plans. All documents reviewed annually. Regular practice drills carried out. Once emergency is over, a tactical marketing and communications plan implemented. Internal communications plans enacted.	0	6	6	CE & Board	Board, SMT
Loss of business due to extreme or prolonged event, eg pandemic, terrorism, civil unrest, climate change event, prolonged inclement weather	-1	7	6	Implement tactical marketing and pricing. Implement a targeted communications plan. Emergency logistics, animal management and procurement plans put into effect. Review and revise budgets, reduce spending and investigate new revenue raising initiatives. Strong relationship management with WCC and other key stakeholders. Internal communications plans enacted. See also Business Continuity Plan.	-1	6	5	CE & Board	Board SMT
Serious incident (including animal related incidents) where there is the risk of the loss of life (human or animals)	-2	7	5	Emergency Management Plans, Health & Safety Management System, Communications Plans reviewed annually. Regular practice drills carried out. Monitored Fire Alarms in all people occupied buildings and where possible in animal housing depending on risk. Building WOFs. Annual MPI audit and Containment Standards maintained. Inductions of staff and contractors. Monitor competency of staff and contractors. Two keeper system in place. Board and SMT site reviews.	-3	7	4	CE & Board	Board, SMT
Infectious disease impact on animals	-1	6	5	Health & Safety Management Plan. EPA/MPI policies. Infectious Diseases Policy. Maintenance of good biosecurity measures and developing controls on an ongoing/regular basis. Veterinary protocols and pre-import and pre-export screenings. Animal Human Interaction protocols. Communication Plan.	-2	6	4	CE & Board	Board COO, Director, SAS
Attraction and retention of key staff	-1	6	5	Learning and Development strategy and opportunities. Career progression initiatives such as the Learning and Development Framework. HR Policies & Remuneration Policy. Review Remuneration strategy. Engagement through shared values. Employee Experience Journey protocols, eg advertising, induction. Monitor and maintain skills shortage status for Veterinarians, Veterinarian Technicians, Zoo Keepers and other critical roles with Ministry of Immigration.	-2	6	4	CE & Board	Board COO
Reputation Falters	-1	6	5	Communications protocols to communicate with key stakeholders, media and community. Strong relationship management with partners and stakeholders eg, DOC, MPI, WCC. Animal Welfare Accreditation. Euthanasia Policy. Code of Conduct, Media Relations Policy. Electronic Communications and Internet Usage Policy. Use of Social Media Policy. Disciplinary Policy. H&S Policy. Seek appropriate and timely advice.	-2	5	3	CE & Board	Board, SMT
Withdrawal or significant reduction of support or unfunded compliance costs from WCC	-2	7	5	WZT Statement of Intent. WCC Contract for Services. Relationship plans where appropriate and regular meetings with key contacts at WCC such as The Mayor, Deputy Mayor, Portfolio leaders, Councillors, Chief Executive and ELT. Reporting at relevant WCC Committee meetings. Relationships developed between relevant officers across WCC and related Zoo portfolio managers. Regular reporting on Zoo-based activities.	-3	4	1	CE & Board	CEBoard
Loss of Business Due to Economic Downturn	-1	5	4	Operating environment evaluated annually. Tactical marketing and pricing put into effect and tempered by prudent financial management.	-1	4	3	CE & Board	CE Board
Inability to source and import animals	-1	5	4	Zoo Species Plan continually updated. Animal Science Manager responsible for sourcing animals. Strong relationships with ZAA and WAZA members and with other zoos around the world to source animals through programmes such as ASMP. Strong relationship management with DOC, MPI and EPA.	-2	5	3	CE & Board	Board COO
Cyber-Security Failure / Privacy Breach	-1	5	4	WCC ICT system and policies eg, secure password management. Cyber security testing/monitoring by WCC. Review third-party providers to ensure they have robust cyber-security systems, policies and procedures in place - particularly storage of sensitive information and payment protocols. Zoo website penetration testing.	-2	5	3	CE & Board	Board COO
Animal Welfare compromised	-2	6	4	ZAA Accreditation evaluates the Zoo's animals' welfare state. Husbandry Manuals and SOPs regularly reviewed and updated. Governed by WZT Animal Welfare Committee. Animal Care & Science team development, recruiting and retaining skilled staff.	-3	5	2	CE & Board	Board COO

Risk Identification	Uncontrolled Risk			Risk Control	Risk after Control			Accountability	Responsibility
	Probability	Impact	Risk Value		Probability	Impact	Risk Value		
Utilities Infrastructure Loss and Failure	-1	4	3	WZT Business Continuity Plan. WCC Business Continuity Plan. Minor Works programme to ensure maintenance up to date. Connection to WCC systems where appropriate to utilise WCC back-up systems.	-1	3	2	CE & Board	Board SMT
Project Design, Development and Delivery Risk	-1	5	4	Project Management Process as agreed with the Board. Follow procurement processes for engaging Consultants and Contractors. Regular progress meetings to maintain projects on time and within budget. Regular reporting to the Board on capital and renewals projects.	-3	5	2	CE & Board	Board/Director, SAS
Inappropriate procurement processes followed	-2	6	4	Procurement Policy. Delegations Policy. Register of Interests. Delegations for approvals. Board approval process for capital procurement and WCC signoff for Capital Procurement for major capital projects.	-3	4	1	CE & Board	Board COO
Fraud and Theft	-1	5	4	CCTV at front entrance monitored weekly by SMT members and Sales and Services Manager. Code of Conduct. Financial management procedures. Daily banking checks by Finance and Administration Advisor with written procedures for following up variances. Annual audit by Audit NZ. Pre-employment Criminal checks.	-2	3	1	CE & Board	Board COO
Security Breach / Vandalism	-1	4	3	CCTV System and Security Alarms in all our buildings and where applicable in animal areas. Weekly perimeter checks. Maintenance of Perimeter Fence. Routine nightly security checks. After hours doors and security gate monitoring.	-2	3	1	CE & Board	Board Director, SAS

Risk Analysis Scale

Risk Analysis Scale

Score	Probability that the Event will Occur
1	Almost Certain and / or could occur frequently
0	Very likely to occur and / or could occur more than once
-1	Moderately likely to occur and / or could occur at least once
-2	Unlikely to occur and / or might occur once
-3	Very unlikely to occur

Score	Level of Impact of the Event Occurring
7	Catastrophic Damage value greater than 50% of the project value, or Major delay to the project completion, or Major impact on this and other business opportunities
6	Very High Impact Damage value about 20% - 50% of the project value, or Significant delay to project completion, or Significant impact on this and other business opportunities
5	Major Damage value about 5% - 20% of the project value, or Project completion affected, or Some impact on this or other business opportunities
4	Minor Damage value less than 5% of the project value, or Project completion not impacted (although a phase of the project may be), or This business opportunity could be impacted
3	Negligible Damage value covered by contingency, any delays barely noticeable and client unaffected
2	Minimal

These two scores are added together to give a "Risk Value". This will be in the range zero to eight.

-  All risks with a Risk Value of 5 - 8 must have a control plan developed and agreed with the Board.
-  All risks with a Risk Value of 3 or 4 shall have a control plan so they can be managed by SMT.
-  All risks with a Risk Value of 0 - 2 can just be recorded and accepted as such until such time as they produce a higher score.
-  Any risk that has a Probability Value of one (1) or an Impact Value of five (5) or more must still have a control plan even if the overall Risk Value is less than five.

9 ADDITIONAL INFORMATION

a) **Response to other specific Letter of Expectation matters (if applicable)**

Not applicable.

b) **Ratio of shareholders' funds to total assets**

Please refer to the Balance Sheet and Accounting Policies included.

c) **Estimate of amount intended for distribution**

Wellington Zoo Trust does not make a distribution to the Settlor.

d) **Acquisition procedures**

The Trustees currently have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

e) **Activities for which the Board seeks compensation from a Local Authority**

The Board acknowledges the **\$3,751,894 operational funding in the *current* Long-Term Plan** for 2022/23. However, we have outlined the pressures on our financial situation for this year and for 2022/23 in Section 2 of this SOI. **As such we request an increase to this grant of \$487k which would make the total operating grant \$4,238,894 for 2022/23.**

The Board acknowledges the **\$1,253,155 included in the *current* Long-Term Plan** for Zoo Asset **renewals** for 2022/23.

The Board acknowledges the **\$3,702,000 total budget included in the *previous and current* Long-Term Plan** for the Snow Leopard Project.

f) **Estimate of commercial value of shareholders investment**

Not applicable.

g) **Other matters (if applicable), eg water supply services LGA requirements**

Not applicable.

h) **Supplementary information the entity wishes to include**

Not applicable.

10 ACCOUNTING POLICIES

Reporting Entity

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 re-negotiated to 30 June 2021. Ongoing funding for the Trust has been approved in the 2018/2028 Long Term Plan. The Trust has made a further going concern assessment in Note 20.

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 PBE IPSAS.

Under this framework, the Trust is eligible to apply the reduced disclosure regime (Tier 2 entity) of the Public Benefit Entity Accounting Standards. The Trust meets this criterion as is not a large public sector entity with total expenses \geq \$30million and is not publicly accountable.

The reporting period for these financial statements is for the year ended 30 June 2020. The financial statements were authorised for issue by the Board of Trustees on 21 August 2020.

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with PBE IPSAS and other applicable Financial Reporting Standards, as appropriate for Tier 2 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. As a result of rounding there may be slight discrepancies in subtotals.

Significant Accounting Policies

Critical Accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. The Trust has assessed the financial records and there are no significant critical accounting estimates. 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 revenue 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 revenue when the conditions of the grant are satisfied.

Revenue

Revenue comprises revenue from operating activities, investment revenue, grants and donations and other revenue and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Most of the services that the Trust provides for a fee are subsidised by grants therefore do not constitute an approximately equal exchange. Accordingly, most of the Trust's revenue is categorised as non-exchange.

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 revenue. Such revenue is recognised when control over the asset is obtained.

Interest

Interest revenue 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 2007. 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

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

Investments

Term deposits are initially measured at the amount invested.

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 consist 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 Revenue and Expense 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.

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.

Short Term Employee Benefits

Holiday leave (annual leave 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.

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 terminate employment. 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.

Revenue in Advance

The Trust has received non-exchange funds for specific purposes with conditions that would require the return of the monies if the Trust is not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditions are fulfilled over time.

The Trust has received non-exchange funds which apply to periods beyond the current year with conditions that would require the return of the monies if the Trust is not able to fulfil the obligation.

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.

Animals

In accordance with customary practice among Zoological organisations, animals are not recorded as there is no objective basis for establishing value. Additionally, animals have numerous attributes, including species, age, sex, relationship and value to other animals, endangered status and breeding potential whereby it is impracticable to assign value. Expenditure related to animal acquisitions is expensed in the period of acquisition.

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 accumulated surpluses and deficits 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 revenue 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, 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 to Accounting Policies

There have been no changes in accounting policies this year.

11 FORECAST FINANCIAL STATEMENTS

CCO: Wellington Zoo Trust Business Plan 2022/23		\$NZ000's						
Estimate 30-Jun-22	EARNINGS STATEMENT	Qtr to 30-Sep-22	Qtr to 31-Dec-22	Qtr to 31-Mar-23	Qtr to 30-Jun-23	Total YE 30-Jun-23	Total YE 30-Jun-24	Total YE 30-Jun-25
	Revenue							
3,560	Trading Income	883	1,119	1,274	1,018	4,294	4,354	4,354
3,639	WCC Grants	938	938	938	938	3,752	3,887	4,000
543	Other Grants	28	28	28	28	113	120	130
245	Sponsorships and Donations-Operational	70	70	70	70	280	285	290
663	Sponsorships and Donations-Capital	0	0	0	0	0	0	0
5	Investment Income	1	1	1	1	4	6	7
269	Other Income	45	45	45	45	180	180	180
8,924	Total Revenue	1,965	2,201	2,356	2,100	8,622	8,832	8,961
	Expenditure							
6,324	Employee Costs	1,672	1,665	1,662	1,656	6,656	6,822	6,993
2,470	Other Operating Expenses	574	595	630	653	2,453	2,514	2,577
0	Depreciation	0	0	0	0	0	0	0
0	Interest	0	0	0	0	0	0	0
	Vested Assets/Restricted Funds spend	0	0	0	0	0	0	0
8,794	Total Expenditure	2,246	2,261	2,293	2,309	9,109	9,337	9,570
130	Net Surplus/(Deficit) before Taxation	(281)	(59)	63	(209)	(487)	(504)	(609)
0	Taxation Expense	0	0	0	0	0	0	0
(533)	Operating Surplus (Deficit)	(281)	(59)	63	(209)	(487)	(504)	(609)
130	Net Surplus/(Deficit)	(281)	(59)	63	(209)	(487)	(504)	(609)
-6.0%	Operating Margin	-14.3%	-2.7%	2.7%	-10.0%	-5.6%	-5.7%	-6.8%

Estimate 30-Jun-22	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-22	As at 31-Dec-22	As at 31-Mar-23	As at 30-Jun-23		As at 30-Jun-24	As at 30-Jun-25
	Shareholder/Trust Funds							
0	Share Capital/Settled Funds	0	0	0	0		0	0
0	Revaluation Reserves	0	0	0	0		0	0
2,321	Restricted Funds	2,321	2,321	2,321	2,321		2,321	2,321
(291)	Retained Earnings	(572)	(632)	(568)	(778)		(1,282)	(1,891)
2,030	Total Shareholder/Trust Funds	1,749	1,689	1,753	1,543		1,039	430
	Current Assets							
3,630	Cash and Bank	3,552	2,554	3,321	2,673		2,131	1,496
150	Accounts Receivable	150	150	150	150		150	150
100	Other Current Assets	100	100	100	100		100	100
3,880	Total Current Assets	3,802	2,804	3,571	2,923		2,381	1,746
	Investments							
0	Deposits on Call	500	500	500	0		0	0
0	Other Investments	0	0	0	0		0	0
0	Total Investments	500	500	500	0		0	0
	Non-Current Assets							
0	Fixed Assets	0	0	0	0		0	0
0	Other Non-current Assets	0	0	0	0		0	0
0	Total Non-current Assets	0	0	0	0		0	0
3,880	Total Assets	4,302	3,304	4,071	2,923		2,381	1,746
	Current Liabilities							
1,000	Accounts Payable and Accruals	853	700	650	650		700	750
	Provisions						0	0
850	Other Current Liabilities	1,700	915	1,668	730		642	566
1,850	Total Current Liabilities	2,553	1,615	2,318	1,380		1,342	1,316
	Non-Current Liabilities							
0	Loans - WCC	0	0	0	0		0	0
0	Loans - Other	0	0	0	0		0	0
0	Other Non-Current Liabilities	0	0	0	0		0	0
0	Total Non-Current Liabilities	0	0	0	0		0	0
2,030	Net Assets	1,749	1,689	1,753	1,543		1,039	430
2.1	Current Ratio	1.5	1.7	2	2.1		2	1.3
52.3%	Equity Ratio	40.7%	51.1%	43.1%	52.8%		43.6%	24.6%

Estimate 30-Jun-22	STATEMENT OF CHANGES IN EQUITY	As at 30-Sep-22	As at 31-Dec-22	As at 31-Mar-23	As at 30-Jun-23		As at 30-Jun-24	As at 30-Jun-25
	Equity Opening Balances							
242	Accumulated Comprehensive Revenue and Expense	(291)	(572)	(632)	(568)		(778)	(1,282)
1,808	Restricted Funds	2,321	2,321	2,321	2,321		2,321	2,321
2,050	Total Equity Opening Balance	2,030	1,749	1,689	1,753		1,543	1,039
	Comprehensive Revenue							
(533)	(Deficit)/Surplus for the year to retained earnings	(281)	(59)	63	(209)		(504)	(609)
(533)	Total comprehensive revenue	(281)	(59)	63	(209)		(504)	(609)
	Equity Closing Balances							
(291)	Accumulated Comprehensive revenue and expense	(572)	(632)	(568)	(778)		(1,282)	(1,891)
2,321	Restricted Funds	2,321	2,321	2,321	2,321		2,321	2,321
2,030	Total Equity-Closing Balance	1,749	1,689	1,753	1,543		1,039	430

Estimate 30-Jun-22	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-22	Qtr to 31-Dec-22	Qtr to 31-Mar-23	Qtr to 30-Jun-23	Total YE 30-Jun-23	Total YE 30-Jun-24	Total YE 30-Jun-25
	Cash provided from:							
3,560	Trading Receipts	883	1,119	1,274	1,018	4,294	4,354	4,354
3,639	WCC Grants	1641	0	1641	0	3,282	3,887	4,000
543	Other Grants	28,127	28	28	28	112	82	82
908	Sponsorships and Donations	70	70	70	70	280	285	290
5	Investment Income	1	1	1	1	4	6	7
269	Other Income	45	45	45	45	180	180	180
8,924		2,668	1,263	3,059	1,162	8,152	8,794	8,913
	Cash applied to:							
6,324	Payments to Employees	1,672	1,665	1,662	1,656	6,656	6,822	6,993
2,470	Payments to Suppliers	574	595	630	653	2,453	2,514	2,555
0	Net GST Cashflow	0	0	0	0	0	0	0
0	Other Operating Costs (VESTING)	0	0	0	0	0	0	0
0	Interest Paid	0	0	0	0	0	0	0
8,794		2,246	2,261	2,293	2,309	9,109	9,337	9,548
130	Total Operating Cash Flow	422	(997)	766	(1,147)	(957)	(542)	(635)
	Investing Cash Flow							
	Cash provided from:							
0	Sale of Fixed Assets	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0
	Cash applied to:							
0	Purchase of Fixed Assets	0	0	0	0	0	0	0
0	Other -vesting Cash for Capital Projects	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0
0	Total Investing Cash Flow	0	0	0	0	0	0	0
	Financing Cash Flow							
	Cash provided from:							
0	Drawdown of Loans	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0
	Cash applied to:							
0	Repayment of Loans	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0
0	Total Financing Cash Flow	0	0	0	0	0	0	0
130	Net Increase/(Decrease) in Cash Held	422	(997)	766	(1,147)	(957)	(542)	(635)
3,500	Opening Cash Equivalents	3,630	4,052	3,054	3,821	3,630	2,673	2,131
3,630	Closing Cash Equivalents	4,052	3,054	3,821	2,673	2,673	2,131	1,496

Estimate 30-Jun-22	CASH FLOW RECONCILIATION	Qtr to 30-Sep-22	Qtr to 31-Dec-22	Qtr to 31-Mar-23	Qtr to 30-Jun-23	Total YE 30-Jun-23	Total YE 30-Jun-24	Total YE 30-Jun-25
(533)	Operating Surplus/(Deficit) for the Year	(281)	(59)	63	(209)	(487)	(504)	(609)
	Add Non Cash Items							
0	Depreciation	0	0	0	0	0	0	0
513	Other (Restricted Funds movement)	0	0	0	0	0	0	0
(20)		(281)	(59)	63	(209)	(487)	(504)	(609)
	Movements in Working Capital							
150	(Increase)/Decrease in Receivables	0	0	0	0	0	0	0
(15)	(Increase)/Decrease in Other Current Assets	0	0	0	0	0	0	0
90	Increase/(Decrease) in Accounts Payable	(147)	(153)	(50)	0	(350)	50	50
(75)	Increase/(Decrease) in Other Current Liabilities	850	(785)	753	(938)	(120)	(88)	(76)
150		703	(938)	703	(938)	(470)	(38)	(26)
	Net Gain/(Loss) on Sale:							
0	Fixed Assets	0	0	0	0	0	0	0
0	Investments	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0
130	Net Cash Flow from Operations	422	(997)	766	(1,147)	(957)	(542)	(635)



Craig Ellison
Board Chair, Wellington Zoo Trust



experience
Wellington
wellington museums trust



EXPERIENCE WELLINGTON 2022-23 STATEMENT OF INTENT

Presented to Wellington City Council pursuant to
Section 64 of the Local Government Act 2002

CONTENTS Ngā wāhanga o roto	2
INTRODUCTION He Whakatakinga	3
ABOUT EXPERIENCE WELLINGTON	4
WHO WE ARE	4
OUR CONTRIBUTION TO WELLINGTON.....	5
OUR STRATEGIC DIRECTION	6
2022-23 PERFORMANCE OVERVIEW	9
OUR RESPONSE TO COUNCIL'S STATEMENT OF EXPECTATION (SOE)	10
SPECIFIC EXPECTATIONS FOR EXPERIENCE WELLINGTON	10
OUR ALIGNMENT TO COUNCIL STRATEGIES	11
SIGNIFICANT PROJECTS	13
PERFORMANCE MEASUREMENTS Paearu Mahi	15
KEY PERFORMANCE INDICATORS.....	15
EXPERIENCE WELLINGTON OPERATIONS	20
RISK ASSESSMENT	21
APPENDICES.....	23
APPENDIX 1: BOARD'S APPROACH TO GOVERNANCE Ta Poari Rapunga Whakaaro	23
APPENDIX 2: FORECAST FINANCIAL STATEMENTS He Matapae Mō Ngā Tauāki Pūtea	24
APPENDIX 3: ACCOUNTING POLICIES.....	28
APPENDIX 4: 2022-23 PROGRAMME OF ACTIVITY.....	33

This Statement of Intent (SOI) reflects the relationship and interest that the Wellington City Council (Council) has in Experience Wellington as a Council Controlled Organisation (CCO) and our contribution to Council's vision for the future of Wellington. It responds to Council's Statement of Expectations (SOE) of 16 December 2021. On pages [10-11](#) we outline our specific response to the SOE and alignment to our strategic pou. Council owns the heritage buildings that house five of our visitor experiences and will provide around 76% (\$9.96m) of our 2022-23 budgeted revenue, with the other 24% (\$3.1m) coming from cultural grants, fundraising and trading revenues.

To achieve the best results for Wellington we will continue to work with Council and other Council Controlled Organisations (CCOs), other visitor experiences, tertiary education partners and relevant national organisations.

We have a contract with **Creative New Zealand** that supports the delivery of the Capital E National Theatre for Children and the biennial Capital E National Arts Festival for Children. The learning experiences we offer are supported through **Ministry of Education Enriching Local Curriculum (ELC)** contracts. We also regularly receive support from the **City Gallery Wellington Foundation** for City Gallery's programme. The **Carter Observatory Trust** supports our fundraising activities for Space Place.

INTRODUCTION He Whakatakinga

Kia mau ki ngā taonga a o tātou tupuna. Hold fast to the treasures of our ancestors
- Te Puea Hērangi.

Tēnā koutou,

On behalf of the Board of Trustees I am delighted to present Experience Wellington's Statement of Intent (SOI) for 2022-25 with a focus on our deliverables for the 2022-23 year.

I would like to start by thanking our principal funder Wellington City Council, as well as other key partners: Creative New Zealand, the Ministry of Education, and the City Gallery Wellington Foundation, for their continued support. Our mahi, creating remarkable experiences that strengthen the city we love, could not be undertaken without this cornerstone support.

Like so many others, we are working with COVID-19-related challenges: reduced visitation numbers, event and education capacity constraints, and the need to balance increasing financial outgoings with the emotional needs and safety of our people and visitors. This is not an easy time for anyone working in the arts, events, hospitality, or tourism sector; and the board and I applaud the resilience and adaptability shown by Experience Wellington's team in navigating the current environment. I know that our people will continue to develop and deliver high quality programming that connects Wellingtonians to extraordinary toi and taonga and celebrates our amazing stories and heritage. We will steward the six assets in our care: Cable Car Museum, Capital E Nōku Te Ao, City Gallery Wellington Te Whare Toi, Nairn Street Cottage, Space Place Te Ara Whānui ki te Rangī at Carter Observatory, and Wellington Museum Te Waka Huia O Ngā Taonga Tuku Iho, along with the city's artefact collection.

We will also continue to place 'Wellington First' by supporting the creative sector professionals that surround us in the capital. We use our position as a CCO to leverage external funds to deliver events and programmes – and to develop the city's cultural assets. Experience Wellington has an important part to play in the capital's recovery.

Forecasting our performance amid a pandemic is challenging, but we are hopeful that with our borders soon to be fully open, cruise ships returning to our shores, and our domestic markets regaining confidence, we should see a gradual increase in visitation and associated visitor spend. In planning for events and programmes, we continue to factor in the possibility that the advice on public health measures may change as new variants of COVID-19 emerge in the community. Throughout, we will not lose sight of our commitment to quality and to manaakitanga, building upon events and experiences large and small to contribute to the city's cultural, social, and economic wellbeing.

We will continue to look at fresh ways to inspire our audiences, strengthen the identities of our individual brands, and focus hard on telling the stories of our city and its people. I am optimistic that we will see Wellingtonians returning to our places time and time again. We have an exciting range of exhibitions, programmes and events planned for the year ahead, including hosting the 10th Capital E National Arts Festival for Children, working with Council to upgrade the planetarium at Space Place, which is at the end of its life, and launch an abundance of exhibitions at City Gallery Wellington that showcase the talents of artists from across Aotearoa and beyond. Having brought senior Māori leadership into our organisation, our team will also focus on the aspiration to include a Māori dimension in everything we do.

We thank Wellington City Council for its ongoing support, and will continue to partner with it, and other CCOs and industry providers, to build local awareness of all the amazing things Wellington has to offer, revitalising the city we love. We are committed to providing remarkable experiences of contemporary art, history, and science for our visitors, and look forward to welcoming you at one of our unique visitor experiences soon.

Jane Wrightson

Chair, Experience Wellington

ABOUT EXPERIENCE WELLINGTON

WHO WE ARE

We are a Council Controlled Organisation (CCO), established as an independent Charitable Trust in 1995 by Wellington City Council. We operate six unique visitor experiences: Cable Car Museum, Capital E, City Gallery Wellington, Nairn Street Cottage, Space Place, and Wellington Museum.

Wellington City Council (Council), our principal stakeholder, owns the buildings that we manage and is the main funder of our operations. We are governed by an independent Board of Trustees appointed by Council.

Our value to Wellington is measured in terms of popularity with visitors, the accolades of our peers, the social wellbeing of the city, and the connections we make with communities. Our exhibitions, events and public programmes contribute to the economic and cultural success of the city, making it a vibrant place to visit, live, work and play.



COUNCIL RELATIONSHIP PRINCIPLES | He Mātāpono

The principles governing our relationship with Council as our primary stakeholder includes:

- Operating on a “no surprises” basis so that any significant event that may affect either party is brought to their attention as soon as it can be reasonably done.
- Open and frank communication will occur between Experience Wellington and Council.
- Providing advice to Council on the management and development of museums, art galleries, space science and other relevant services within Wellington.
- Full disclosure of information will be provided to Council from Experience Wellington as deemed necessary by Council to ensure its interests are upheld.
- Disclosing within the Experience Wellington’s Strategic Plan any significant transactions that are planned.

‘The Trust was established to manage and operate Wellington Museum (formerly known as the Maritime Museum, and then Museum of Wellington City and Sea), Capital E (formerly known as Capital Discovery Place), City Gallery Wellington (formerly known as City Art Gallery), Nairn Street Cottage (formerly known as Colonial Cottage Museum) and any other assets that are acquired or operated by the Trust including the Wellington Cable Car Museum.’

Wellington Museums Trust Incorporated, Trust Deed

OUR CONTRIBUTION TO WELLINGTON

From the creative sensory experiences at Capital E's PlayHQ for our youngest tamariki, to our telescopes and educational space displays at Space Place. From the taonga and stories celebrated at Wellington Museum, Cable Car Museum and Nairn Street Cottage, to the ever-changing art exhibitions at City Gallery Wellington – there really is something for everyone at our Experience Wellington sites.

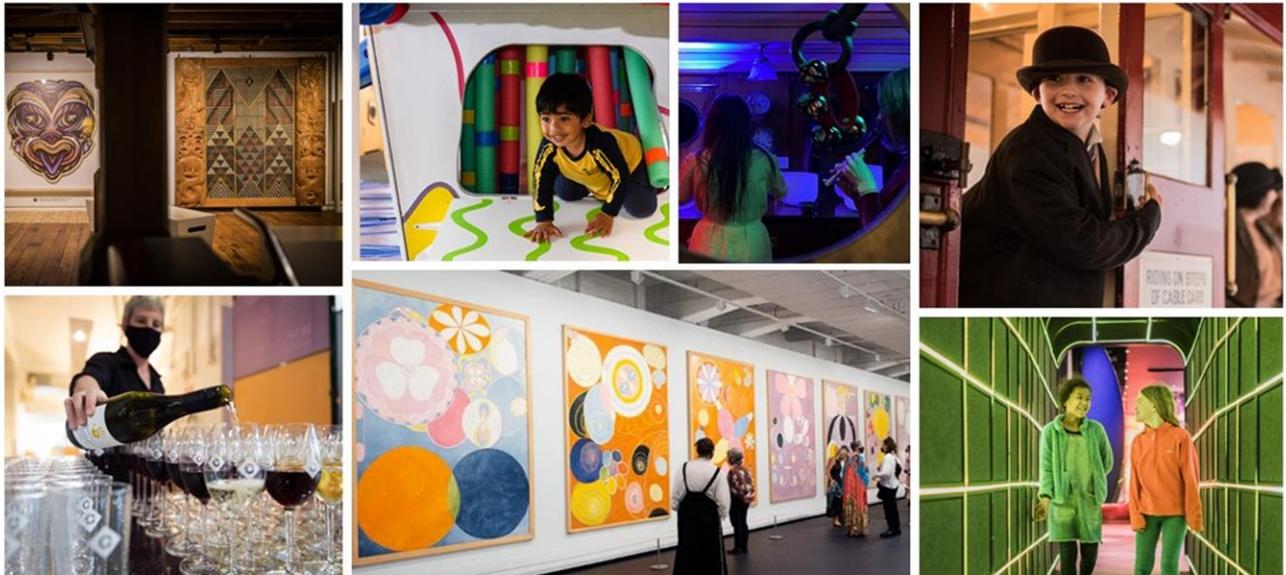
We are proud to tell the stories of the capital city so that our history is treasured and shared. We connect our audiences with local and international art, and we aim to inspire tamariki and our wider communities to learn about the world around them.

We are a collective of six unique visitor experiences, bound by an attitude that is very Wellington in personality and approach, across a spectrum of fields and interests. Our iconic brands are welcoming and inclusive, creating distinct environments for our visitors, each with its own distinct focus.

We are significant contributors to Wellington's economy and its reputation as a centre of excellence for arts, culture, and creativity. By actively collaborating with industry partners and providing outlets for creative professionals such as artists and performers, we can showcase creative talents at a time when opportunities in the sector are limited.

Our partnerships range from Council and government agencies, mana whenua, City Gallery Wellington Foundation, philanthropic relationships, creative sector colleagues and artists as well as our fellow CCOs. We purposefully partner with organisations with shared values, leading to durable, mutually valuable relationships, ultimately benefitting Wellingtonians.

As a charity, we rely on the generous support of individuals and organisations to help us provide world-class arts, heritage and science experiences that are accessible to all.



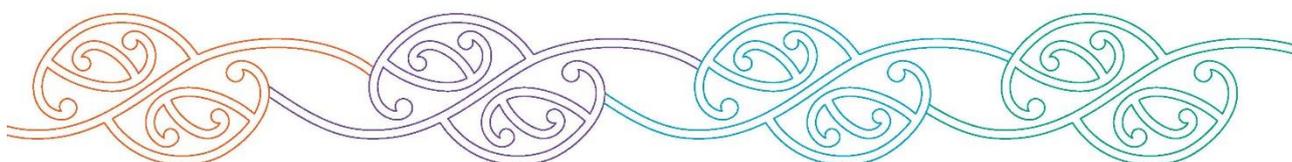
OUR STRATEGIC DIRECTION

OUR PURPOSE: Working together with and for Wellington to create remarkable experiences that generate vitality, strengthening the city we love.

OUR VISION: Engaged curious communities

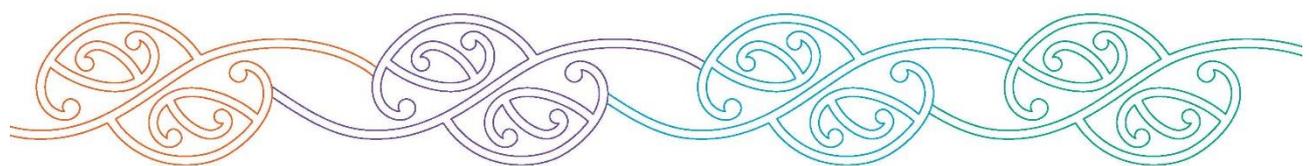
OUR STRATEGIC POU:

Strategic Priority Areas	Our objective	We will do this by:
Enriching Lives <i>Wheako Pōneke - Experience Wellington</i>	Our experiences spark emotion, curiosity and reflection: connecting communities, people and ideas.	<ul style="list-style-type: none"> Ensuring our vibrant programmes sit at the heart of our corporate planning cycle Engaging with new and diverse audiences and communities Taking risks and breaking new ground Developing sector-leading learning offerings for children and young people Connecting with our audiences to keep them coming back
Embracing Te Ao Māori <i>Ma te huruhuru te manu ka rere - Adorn the bird with feathers so that it may fly</i>	We are committed to Te Tiriti o Waitangi and support mana whenua as kaitiaki.	<ul style="list-style-type: none"> Implementing a Māori engagement strategy Building meaningful relationships with mana whenua Implementing our Māori employment strategy Developing and reflecting Experience Wellington tikanga in our practices and values Ensuring there is a Māori dimension to everything we do
Mahitahi <i>Ehara taku toa I te toa takitahi - My success is not mine alone, but of us all</i>	Our success comes from our combined expertise and strengths.	<ul style="list-style-type: none"> Providing a collaborative, vibrant and high performing organisation for our people Providing ongoing opportunities for our people to achieve, develop and learn Working together as one team
Experience Wellington Flourishes <i>Tukua kia rere – Allow to fly</i>	Our business is strong, future proofed, and true to our purpose, vision, and values.	<ul style="list-style-type: none"> Setting smart, data-led targets Continuously improving systems and processes Considering the financial and environmental impact of our decisions Nurturing stakeholder relationships Resourcing what is important for our organisation to thrive

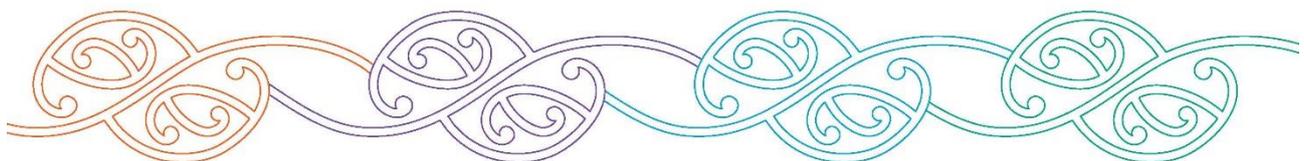


STRATEGIC PRIORITIES FOR 2022-25

Strategic Pou	Focus Area	We will ensure this is a priority by:
<p>Enriching Lives</p> 	<p>Programme</p>	<ul style="list-style-type: none"> • Strategically aligning programming that connects to audience insights and targeted audience segments. This includes: <ul style="list-style-type: none"> ➤ An exciting forward programme plan of exhibitions at City Gallery Wellington ➤ Reviewing our current offerings at the Cable Car Museum, and re-positioning the site to generate greater appeal for new audiences. ➤ Refreshed curatorial content and exhibition design at Space Place ➤ Commencing our collection digitisation project • Demonstrating improvements in access and inclusion in our offerings and programmes • Developing programme plans that connect with our communities
<p>Experience Wellington Flourishes</p> 	<p>Partnerships, Prosperity & the Planet</p>	<ul style="list-style-type: none"> • Strengthening and nurturing our current stakeholder relationships, and developing new collaborative partnerships • Identifying new commercial opportunities that contribute to revenue, and developing more commercial opportunities from existing activity • Increasing engagement with Wellington City Council and WellingtonNZ, and leveraging partnerships and opportunities with other CCOs • Achieving Qualmark certification and having our experiences marketed by Tourism New Zealand to international audiences • Continuing our commitment to environmental best practice by streamlining procurement and embedding systems to make better use of internal resources. • Embedding our three-year fundraising strategy and stakeholder engagement plan. Increasing revenue from events and requests for donations, onsite and online, and embedding a charitable trust mindset in our culture. • Continuing to review and streamline our business processes to achieve the best possible financial outcome.



<p>Embracing Te Ao Māori</p> 	<p>Te Ao Māori</p>	<ul style="list-style-type: none"> • Adopting our new Māori Engagement Strategy and continuing to build on our collective cultural competency including the use of te reo Māori and tikanga Māori. • Increasing recruitment of Māori staff in accordance with our Māori Employment Strategy, and tailoring support and development opportunities to existing team members who identify as Māori. • Developing partnerships with mana whenua. • Strengthening organisation-wide cultural capability with increased te reo Māori embedded in our values and our external and internal communication. • A continued focus on how te ao Māori can best be represented in everything we do
<p>Enriching Lives</p> 	<p>Places</p>	<ul style="list-style-type: none"> • Working in partnership with Council to support the stewardship of Council’s cultural assets in order to achieve a safer and sustainable future for the buildings that we operate. • Continuing to work with Council to return Capital E Nōku Te Ao to Te Ngākau Civic Square, as part of the Te Matapihi Central Library Project. • Continuing to work with Council’s Property Team on the Wellington Museum Development Project. • Supporting Council’s Property Team with their asset management mahi.
<p>Mahitahi</p> 	<p>Our People</p>	<ul style="list-style-type: none"> • Focusing on attracting and retaining talented individuals to our organisation • Creating a workplace culture that embraces our values and fosters pride in working for our organisation • Completing an employment brand project and embedding findings and improvements that are identified. • Reviewing our organisational values using a te ao Māori framework to give our people a stronger sense of alignment and personal connection to the new values derived from this process.
<p>Enriching Lives</p> 	<p>Profile</p>	<ul style="list-style-type: none"> • Undertaking a review to strengthen our individual brands and their connection to our audiences. • Raising the profile of our individual sites and increasing brand awareness through digital and social strategies. • Analysing and developing a deeper understanding of our audiences through segmentation and insights, and their connection to our brands. • Sharing the stories of our taonga and people across targeted platforms and channels. • Continued conversations and collaboration with Council, our CCO whānau, and the city’s creative ecosystem: leveraging positive relationships, and providing innovative ways to attract visitors to our city in the wake of COVID-19.



2022-23 PERFORMANCE OVERVIEW

OUR PERFORMANCE is measured by our Key Result Indicators (KRI).

In 2022-23 we expect to:

- Raise \$3.1m (24%) of our operating costs from trading initiatives and fundraising.
- Achieve an average of at least 87% approval rating from our visitors for the quality of their experience at our institutions.
- Engage with over 338,000 virtual visitors through our websites and social media channels.
- Welcome over 415,000 on-site visitors, of which around 41,800 will be children and young people visiting for a learning experience.

OUR FINANCIAL PERFORMANCE

Due to the ongoing impacts from COVID-19, increases to CPI and the Living Wage, recruitment and relativity pressures and rising costs for fuel and freight, we are not forecasting a break-even budget for 2022-23. The 2022-25 budget is based on the following assumptions:

- Reduced international visitors from pre-COVID numbers.
- Reduced domestic visitation due to COVID-related anxiety, alert level restrictions, and reduced national travel.
- Regional education groups and national school groups are reduced under orange level restrictions.
- Experience Wellington will receive \$9.96m from Council (\$8.2m in operating grants, \$1.76m accommodation rental subsidy), and the projected deficit of \$0.55m being carried by Council as a risk in 2022-23, for the operation of Experience Wellington inclusive of Space Place Te Ara a Whānui Ki Te Rangi. The annual cash underwrite for Space Place is additional to the operating grant and accommodation rental subsidy.
- There is a modest inflation-indexed increase to the prior financial year's operating grant, noting any new investment that does not align closely with Council's priorities is unlikely to be supported. The operating grant increase has been advised as 2%, rather than the current 5.9%+ CPI increase. This will pose challenges.
- We expect to generate \$3.1m in non-Council revenue in 2022-23, underscored by a marginally more certain operating environment for domestic and international visitation. Total trading income is predicted to achieve \$1.45m. Retail and admission revenue are affected by lower than usual visitation and venue hire will likely also drop a little from the current relatively high usage.
- Overall, we expect fundraising income to represent a similar result to that achieved in 2021-22 reflecting the economic conditions facing funders, philanthropic organisations, and corporates. However, we will be intensifying our efforts.
- Funding as per the Creative NZ contract (\$0.57m) and the ELC contracts with the Ministry of Education (\$0.27m) will continue in 2022-23.

The forecast financial statements are provided in [Appendix 2](#). Accounting policies are provided in [Appendix 3](#).

OUR RESPONSE TO COUNCIL'S STATEMENT OF EXPECTATION (SOE)

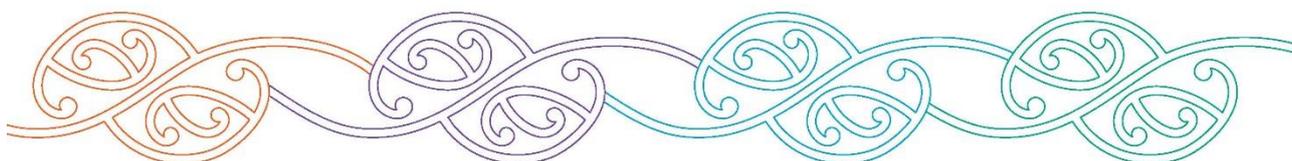
SPECIFIC EXPECTATIONS FOR EXPERIENCE WELLINGTON

Council Expectation	Our Response
Council continues to expect that the Trust will return to a breakeven financial position in 2022/23 inclusive of funding depreciation, and the Statement of Intent should respond to this.	We will be operating under strict cost control measures and focusing on robust financial management. However, given the current environment with significantly reduced international visitors, the negative impacts from COVID-19 including restricted visitor capacity, plus CPI increases, the Living Wage, recruitment, and relativity pressures, and rise to costs for fuel and freight, we will not be able to return to a breakeven position in 2022/23.
The Trust should discuss its plans for Capital E and its intended tenancy within Te Matapihi. In this context, the Trust is expected to recognise that Council is making a significant capital investment in Te Matapihi which also generates additional operational costs for Council that are ongoing. Council does not expect to increase its operational funding for the Trust in relation to the Capital E activity, beyond its annual inflation adjustments.	We are working closely with Council's Te Matapihi project team, and other stakeholders, planning for the relocation of Capital E to Te Matapihi. We have an internal Project Working Group drawn from across our teams, giving their expertise on visitor experience and space specifications. A Council-funded Project Coordinator position is dedicated to support internal administration. An internal communications strategy with regular updates and a presence on our intranet keeps the wider Experience Wellington team aware. The Chief Executive and Director Children, Young People & Community Engagement are heavily involved in the project at a higher level and sit on Te Matapihi board and control groups. A Heads of Agreement between Council and Experience Wellington guides our mahi.
The SOI is expected to articulate the opportunities that the Trust sees in response to Council's Aho Tini strategy and how the Trust will be able to contribute to Council's focus areas in this strategy, within its current operational funding.	Council's Aho Tini strategy is closely aligned with our organisation's purpose, vision and values (page 6). See page 11 for our detailed response.
Council will work with the Trust to develop a consistent and practical approach to the management and maintenance of various building assets owned by Council and operated by the Trust.	We will continue to develop good working relationships between ourselves and Council around a stronger approach to building management and maintenance. This partnership includes further developing plans for strengthening of Wellington Museum .
Council sees a role for the Trust, WellingtonNZ, and the Cable Car to work together in planning opportunities to leverage the Cable Car journey. Council expects the Cable Car to lead the planning for early interventions to celebrate the historic area at the top of the Cable Car, and to develop longer term plans for its future.	We are exploring the opportunity to develop the offerings at the Cable Car Museum leveraging the Cable Car journey and proximity to the Botanic Gardens and Space Place. We have established a close working relationship with Wellington Cable Car Company and look forward to collaborating with WellingtonNZ and the Cable Car team on this long-term project.
The Council expects that the Trust will maintain its commitment to paying the Living Wage. The annual operating grant is expected to be sufficient for the Trust to maintain this commitment and Council does not expect to receive additional requests for funding beyond the operating grant.	We are committed to paying our staff the Living Wage, noting that these costs are proposed to increase by 5% + in 2022/23. The cost of recruitment in the current market is challenging, especially for our corporate roles, where we compete with both the public and private sectors. This creates a knock-on effect relative to other roles in our organisation.

OUR ALIGNMENT TO COUNCIL STRATEGIES

Aho Tini 2030 – Arts, Culture and Creative Strategy

Experience Wellington will be a proud partner in bringing Aho Tini to life, making Wellington a truly creative capital. Our experiences build on the rich cultural traditions and identity of our capital city: our mahi in this area will be further enhanced through the revisioning of Capital E within Te Matapihi and the redevelopment of Wellington Museum as a place that reflects and amplifies the voices and stories of our diverse communities. We will continue our commitment to access and inclusion in the arts sector and higher visibility of Ngā Toi Māori by supporting our Te Rōpū Mahi Tiriti and Access and Inclusion committees, and by supporting Māori roles throughout the organisation: Te Tūhono Reo, Senior Curator Toi Māori, Senior Curator Māori (Taonga) and our Kaiako Māori. A ‘Wellington First’ approach is being taken to foster the success of the city's artists and arts organisations – for example, our Creative Collider and National Theatre for Children programmes pumped externally-leveraged funding back into the capital's creative ecosystem through strategic capacity building endeavours. We also work in partnership to activate the city's places and spaces via programming alliances with Council, Cuba Dupa, Children's Day and Tawhiri.



Kia Eke Panuku Māori Strategic Direction (now Tūpiki Ora Māori Strategy)

Council's Tūpiki Ora Māori Strategy closely aligns with our strategic pou, Embracing Te Ao Māori. This is a core focus for our organisation with our specific goal of bringing a Māori dimension to everything we do. We recognise we are at an early stage of this journey, and we are excited to have our new senior Māori leader, Te Tūhono Reo, on board, working with our Executive Leadership Team to guide us in this area.

It is important to us that Māori feel welcomed, connected, and represented at all our sites. This encompasses the artwork we display, in the shows we produce, and in the stories we tell. Te reo Māori signage is clear and visible, and we are currently developing bilingual and te reo Māori education programmes for our ākonga.

As an organisation we need to build on the capability and confidence of our staff to embrace te ao Māori: we encourage participation in te reo Māori lessons, and have a staff committee, Te Rōpū Mahi Tiriti, which promotes educates, and regularly engages with staff. Our aspiration is that our staff and our visitors are comfortable speaking te reo at any of our sites, and we are committed to upskilling, and building a more diverse workforce. As part of our Māori employment strategy, we are developing meaningful, sustainable employment opportunities for Māori across Experience Wellington at all levels. We have plans for targeted Māori recruitment, development, and workplace culture.

Led by Te Tūhono Reo we will be adopting our Māori Engagement Strategy to build on existing creative partnerships, engagement with Māori communities, and to develop and strengthen key partnerships with and for mana whenua. Our Māori Engagement Strategy will connect and align with Council's Tūpiki Ora Māori Strategy, and we look forward to working together to collectively advance this mahi.



Strategy for Children and Young People

We are committed to making Wellington the best place to grown up in Aotearoa. We do this by offering a wide range of learning experiences for tamariki and ākonga, including explorative sensory play, theatre shows, and interactive exhibitions. We pride ourselves on providing safe and welcoming spaces to nurture the wellbeing of our youngest while they develop their understanding of the world around them through science, history, culture, and art.

Providing a sense of “normality” for our children is important in such unprecedented times. Our sites provide spaces where kids can be kids. In response to COVID-19, we have increased our cleaning and safety precautions to ensure that they enjoy our interactive displays in a safe environment.

Our talented teams deliver unique learning experiences for schools. We support staff with continuous training to develop specific strategies to support children with diverse needs. With careful programme planning and listening to the individual needs of our schools, we ensure our sites are inclusive and welcoming spaces for all.

Implementation of Te Atakura: First to Zero



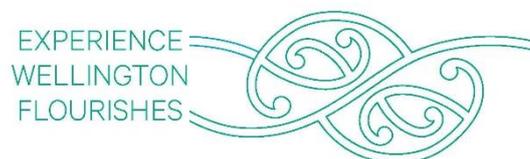
We welcome the specialist guidance from Council’s Resilience and Sustainability Team to help us make more environmentally conscious decisions. We are limited by internal resources, and the restrictions around the ages, sizes, locations, and ownership of the buildings we inhabit. We acknowledge the risks around climate change, particularly for our sea-level sites. We would love to pilot environmental initiatives for Council and can see an opportunity for offsetting our carbon emissions with the installation of solar panels at City Gallery Wellington and Space Place.

Over the past year we have been working with Council to make positive changes to our buildings where we can, including energy reviews, and upgrading lighting and HVAC systems. We will also be supporting Council’s project team consider waste minimisation in planning for the Wellington Museum development project.

Composting and recycling facilities are located at all our sites, and with some back of house staff working from home more, we are seeing less overall waste produced. Environmental sustainability is championed by a passionate internal staff committee, who provide educational resources and advice, promote events and workshops, and the use of reusable containers, limiting printing, vegetarian catering, and general environmental best practice.

We aspire to significantly reduce our contribution to landfill within the next three years, by repurposing materials across our sites, and purchasing fewer materials new. We are currently developing organisation-wide waste minimisation plans: including management of our assets, procurement plans and additional care in the deinstallation of our exhibitions and programmes.

Economic Wellbeing Strategy



We support Councils’ Economic Wellbeing Strategy by providing safe, culturally diverse, accessible, inclusive, and welcoming spaces for all visitors. We provide a ‘Wellington First’ approach by prioritising local talent and partnerships and are proud to be a vital part of an interwoven eco-system alongside accommodation providers, retail outlets, restaurants, and other venue and tourism sites – together contributing to the economic wellbeing of our city.

SIGNIFICANT PROJECTS

SUPPORTING CAPITAL E'S INVOLVEMENT IN TE MATAPIHI

For the last four years, we have been working alongside Council to reignite the spark of Te Ngākau Civic Square as the capital's cultural hub of creativity and connection. We are thrilled to be part the project group working on purpose-built spaces for Capital E within Wellington's central library Te Matapihi. Capital E Nōku Te Ao and Te Matapihi share clear alignment in purpose and in offerings. Our kaupapa has always been to create extraordinary experiences for, with, by, and between children and young people. Today's libraries are spaces where the community can connect and engage, to discover, innovate, create and showcase ideas, which has strong synergies with the mahi of Capital E.

This ambitious project is confirmed as part of the Council's 2021-31 Long Term Plan, with the site scoped to open in late 2025. Our involvement includes representation on the Project Board, Design Control Group, and other workshops. We are grateful to Council for funding our dedicated Te Matapihi Project Coordinator. Experience Wellington's partnership with Council is underpinned by a Heads of Agreement.

GOAL: Capital E is fully operational within Te Matapihi when Te Matapihi opens in 2025.

A MUSEUM WITHOUT WALLS - PUTTING OUR COLLECTIONS ONLINE

Our collections of incredible taonga need to be shared and celebrated in the most accessible way possible – connecting our amazing sites with an accessible online presence. Therefore, we are exploring the opportunity to create a Collections Online facility featuring Wellington Museum and affiliated collections. Provision of broader and more immediate access to collections information will highlight the significance of the collections, position the museum as a key resource for researchers, and generate opportunities for collaborative initiatives with like institutions. Moreover, disseminating information about the museum's collecting and research priorities will generate opportunities for acquisitions including co-collecting projects with local communities.

This initiative will also provide an opportunity to review, correct, and update collection records. In addition, it will create professional development opportunities for staff including improving knowledge of collections management applications and enhanced interaction with existing and potential audiences. This exciting digital initiative will also inform the development of unique visitor experiences, both virtual and physical.

GOAL: A project and fundraising plan will be developed by the end of Q1.

SPACE PLACE REDEVELOPMENT

Space Place at Carter Observatory is home to the lower North Island's only planetarium, and proudly showcases mātauranga Māori alongside western astronomy. We are working with Council on a five-year plan to replace end-of-life planetarium projectors and software, alongside IT and audio-visual equipment, and exhibition interpretation. We will also be increasing Māori and Pasifika content to complement *Ngā Tohunga Whakātere – The Navigators* show, with the objective of Space Place becoming a centrepiece of Wellington's Matariki celebrations.

GOAL: The asset replacement plan for Space Place has been agreed with Council and equipment and interpretation replacement starts to roll out from Q1.

REPOSITIONING THE CABLE CAR MUSEUM

Pre-COVID-19, the Cable Car Museum was the most popular of all our sites, attracting well over 200,000, mainly international, visitors every year. Now, with cruise ships not entering Te Whanganui-a-Tara for the immediate future, it is important we ensure the Cable Car Museum is equally as appealing for our Aotearoa audience. The Cable Car is an iconic Wellington landmark, and we look forward to working with the Cable Car Company team to creatively connect our two experiences and reinvigorate and attract local visitors to our combined spaces.

GOAL: Cable Car Museum's exhibition is reviewed, with content and brand repositioned to meet the needs of the domestic market by end of Q2.

STEWARDED COUNCIL'S ASSETS

Our staff and visitors enjoy the privilege of occupying Council's assets, however the age of these buildings, some of which enjoy historic status, pose challenges in terms of maintenance, watertightness, heating, and ventilation. We are looking forward to continuing dialogue with Council's Property Team who have committed to conducting condition assessments at our sites, and for Council's asset management plans to be updated, with resulting costs to be included in the next LTP process as a result.

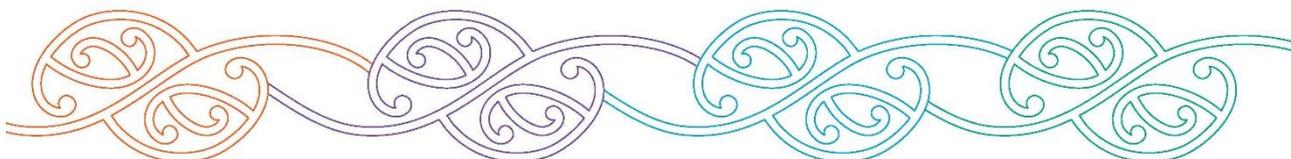
GOAL: Experience Wellington and Council teams work together to develop asset management plans for the 2024 Long-Term Plan based on 2022 condition assessments.

WELLINGTON MUSEUM AND REIMAGINING THE EXHIBITION

In conjunction with Council, we are planning to close Wellington Museum Te Waka Huia o Ngā Taonga Tuku Iho for earthquake strengthening by 2024/25. Working with Council and consultants through the Project's remaining design stages, including consents, and contractor procurement, we are preparing for the decant of the Museum prior to the building being handed over to the building contractor.

Taking a community-focused approach, we will be working alongside a network of partnerships to enable access to Wellington's heritage collections and stories while the building itself is closed. The period of closure (estimated two years) will depend on the final strengthening approach and will affect our revenue-generating capability for the duration of the construction work.

GOAL: Plans for the Museum decant, reimagined exhibition and fundraising are in place by the end of Q4.



PERFORMANCE MEASUREMENTS | Paearu Mahi

Our Key Performance Indicators (KPIs) as required by Council are set out in the charts below. We have also set internal targets to align with key themes from Council’s 2021-31 Long-term Plan (LTP) – Environmental, Social, Cultural, and Economic. These will be presented throughout our 2022-23 Annual Report and will highlight the key focus areas identified by our Board: People, Planet, Prosperity, Programming and Profile.

We strive to continuously review and refine performance measurements over the planning period to reflect the needs of our stakeholders, and to provide information that helps to assess the impact Experience Wellington makes on Wellington’s prosperity and liveability.

Given uncertainties with COVID-19, we have taken a cautious approach with visitation, and have based our numbers on industry assumptions that there will be a gradual return of international tourists over the next three years.

We have also included the Council-led strengthening and upgrade of Wellington Museum beginning in 2024/25 (which would allow for a period of closure for two years).

Targets have been included for the 10th Capital E National Arts Festival for Children in Q4 of 2022-23.

The above assumptions and impacts of COVID-19 on visitation and our financial position are reflected in the following performance measures:

KEY PERFORMANCE INDICATORS

Our City

City Residents’ Awareness: The number of Wellingtonians who know about our institutions as assessed through the Annual Residents’ Survey conducted by Council.

Residents’ Awareness	2020-21 Actual	2021-22 SOI	2022-23	2023-24	2024-25
City Gallery Wellington	88%	95%	88-92%	88-92%	88-92%
Wellington Museum	91%	95%	91-95%	91-95%	91-95%
Capital E	74%	90%	80-85%	80-85%	80-85%
Cable Car Museum	89%	95%	92-95%	92-95%	92-95%
Space Place	87%	92%	89-93%	89-93%	89-93%
Nairn Street Cottage	47%	54%	49-57%	49-57%	49-57%

In consultation with Council’s Research & Evaluation team a target range has been determined as an appropriate KPI.

Our Visitors

Physical Visitation: The total number of on-site visits to institutions including the public, education, and function attendees. The annual target is reviewed each year and benchmarked against the average visitation for the institution during the previous three years.

Visitor Numbers	2020-21 Actual	2021-22 SOI	2022-23	Q1 Jul-Sep	Q2 Oct-Dec	Q3 Jan-Mar	Q4 Apr-Jun	2023-24	2024-25
City Gallery Wellington	88,885	150,250	112,500	25,000	30,000	32,500	25,000	120,000	130,000
Wellington Museum	105,623	100,000	85,000	20,000	20,000	25,000	20,000	90,000	0*
Capital E	58,085	59,770	71,000	10,000	10,500	15,000	35,500	60,000	65,000
Cable Car Museum	114,236	125,000	106,000	20,000	23,000	33,000	30,000	130,000	150,000
Space Place	38,641	44,000	40,000	7,500	10,000	12,500	10,000	45,000	50,000
Nairn Street Cottage	471	1,400	500	0	100	200	200	600	800
Experience Wellington Total	405,941	480,420	415,000	82,500	93,600	118,200	120,700	445,600	395,800

- A modified 10th Capital E National Arts Festival for Children will take place in Q4 of 2022-2023 (deferred from 2021), and numbers are based on 'Orange Level' restrictions.
- Strengthening work at Wellington Museum will see the building close for an estimated two-year period, from 2024/25*

Virtual Visitation: The total number of unique user visits to institutional web/mobile sites.

Virtual Visitor Numbers	2020-21 Actual	2021-22 SOI	2022-23	2023-24	2024-25
City Gallery Wellington	104,172	80,000	105,000	107,000	108,000
Museums Wellington	135,949	100,000	105,000	110,000	112,000
Capital E	56,299	38,000	40,000	40,000	42,000
Experience Wellington Total	*296,420	218,000	250,000	257,000	262,000

*Wide-reaching international interest in the Mittens exhibition and online programming for tamariki during and post lockdown.

Social Media Profile: A snapshot of Facebook friends, Instagram and Twitter followers and YouTube views.

Social Media Numbers	2020-21 Actual	2021-22 SOI	2022-23	2023-24	2024-25
City Gallery Wellington	43,438	43,000	48,850	51,200	53,760
Wellington Museum	15,233	15,120	16,750	17,650	17,800
Capital E	9,796	10,000	10,500	12,500	12,800
Space Place	10,693	10,910	11,300	11,900	12,000
Nairn Street Cottage		-	720	800	820
Experience Wellington Total	79,746	79,030	88,120	94,050	97,180

Wellington Museum includes the Museums Wellington combined account for Instagram and YouTube.

Quality of Visit (overall satisfaction): Visitor feedback provided via surveys are based on ease of access, friendliness of staff, and level of comfort.

Quality of the Visitor Experience	2020-21 Actual	2021-22 SOI	2022-23	2023-24	2024-25
City Gallery Wellington	85%	88%	85%	85%	85%
Wellington Museum	89%	90%	90%	90%	-
Capital E	94%	90%	90%	90%	90%
Cable Car Museum	80%	80%	80%	80%	80%
Space Place	89%	90%	90%	90%	90%
Nairn Street Cottage	97%	90%	90%	90%	90%

- Strengthening work at Wellington Museum will see the building close for an estimated two-year period from 2024/25

Children & Young People Visiting for a Learning Experience: The number of students (aged 0-18 years) participating in a learning experience organised by their education provider.

Learning Experience Visitors	2020-21 Actual	2021-22 SOI	2022-23	2023-24	2024-25
City Gallery Wellington	2,907	4,500	3,050	4,500	4,500
Museums Wellington	3,269	7,000	4,500	4,500	1,000
Capital E	17,763	23,400	28,550	19,940	55,324
Space Place	2,922	3,500	5,700	5,700	5,700
Experience Wellington Total	26,861	38,400	41,800	34,640	66,524

- Figures include curriculum-aligned learning experiences which are supported by the Ministry of Education through its ELC programme and self-directed and outreach learning experiences.
- The 10th Capital E National Arts Festival for Children will take place in 2023 (deferred from 2021 owing to COVID-19 increasing visitation in that year).
- Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.
- Strengthening work at Wellington Museum will see the building close for an estimated two-year period, from 2024/25. The Learning Team will conduct outreach visits during that period.

Our Sustainability

Financial Performance: Due to the ongoing negative impacts from COVID-19 we are not forecasting a breakeven budget for 2022-23. We are however working towards a breakeven budget for 2023-24 and 2024-25.

Non-Council Revenue: The total amount of revenue (net of costs) generated from non-Council sources:

Trading includes admissions, retail, venue hire, sub-letting, and interest. Fundraising includes donations, sponsorships, other grants, and cultural grants (CNZ and MoE for ELC). Retail sales and venue hire are significantly reduced in line with forecast visitation.

Trading (\$'000)	2020-21 Actual \$000	2021-22 SOI \$000	2022-23 \$000	2023-24 \$000	2024-25 \$000
City Gallery Wellington	206	740	250	340	330
Museums Wellington	511	536	450	350	350
Capital E	148	138	220	200	240
Space Place	496	490	500	620	630
Sub Total	1,361	1,904	1,420	1,510	1,550
Sub-letting, Interest & Other	5	30	30	88	91
Experience Wellington Total	1,366	1,934	1,450	1,598	1,641
Fundraising (\$'000)	2020-21 Actual \$000	2021-22 SOI \$000	2022-23 \$000	2023-24 \$000	2024-25 \$000
City Gallery Wellington	345	560	350	600	650
Museums Wellington	139	116	150	72	75
Capital E	1,359	623	850	900	925
Space Place	503	78	100	90	100
Trust Office	104	520	50	50	50
Experience Wellington Total	2,450	1,897	1,500	1,712	1,800

The trading figures from 2020 are shown net of cost of sales.

Spend per Visitor: Visitor related revenue.

Spend per Visit (\$)	2020-21 Actual \$	2021-22 SOI \$	2022-23 \$	2023-24 \$	2024-25 \$
City Gallery Wellington	2.32	4.93	2.22	2.83	2.54
Museums Wellington	2.32	2.37	2.35	1.59	2.32
Capital E	2.54	2.31	3.10	3.33	3.69
Space Place	12.84	11.14	12.50	13.78	12.60
Experience Wellington Total	3.36	3.96	3.42	3.39	3.92

Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

A modified 10th Capital E National Arts Festival for Children will take place in 2023 (deferred from 2021 owing to COVID-19) increasing visitation.

Strengthening work at Wellington Museum will see the building close for an estimated two-year period, from 2024/25.

Our People

Health and Safety: No notifiable incidents involving workers or visitors as defined by the Health and Safety at Work Act 2015.

Number of Notifiable Incidents	2020-21 Actual	2021-22 SOI	2022-23	2023-24	2024-25
Experience Wellington Total	1*	0	0	0	0

*The notifiable incident from 2020-21 involved a staff member injured at an external venue. As PCBU we take joint responsibility for this.

Employee Engagement: is regularly monitored. Engagement trends are reported to the Board via the PPS Committee, including tracking the employee engagement of our diverse workforce. We are in the process of developing performance metrics to specifically support our te ao Maori journey, along with our other strategic priorities.

Council's Subsidy per Visit

The Council subsidy per physical visitor (excluding online engagement) is calculated first by dividing the number of forecast visits into the operating grant received from Council. Council's ownership costs such as insurance, maintenance and depreciation are then added to provide an estimate of the full subsidy per visit. The information regarding ownership costs is supplied by Council.

Operating subsidy per visit

Subsidy per Visit (\$)	2020-21 Actual \$	2021-22 SOI \$	2022-23 \$	2023-24 \$	2024-25 \$
City Gallery Wellington	27.43	17.64	20.80	19.89	18.72
Museums Wellington	9.59	10.15	10.59	9.37	13.99
Capital E	30.78	32.52	24.16	29.17	27.46
Space Place	13.82	8.85	10.05	9.11	8.36
Experience Wellington Total	21.32	18.30	15.63	14.84	17.04

Subsidy per Visit forecast is based on the probable percentage of the operating grant received from Council as follows:

City Gallery Wellington – 30%

Museums Wellington (Wellington Museum, Cable Car Museum and Nairn Street Cottage) – 26%

Capital E – 22%

Space Place – 4.9% plus the cash underwrite

Central services provided through the Executive Office – 17.1%

Capital E will present the Capital E National Arts Festival for Children in 2022-23.

EXPERIENCE WELLINGTON OPERATIONS

Management

Led by the Chief Executive, our Executive Leadership Team (ELT) leads teams working across our organisation to grow and develop our unique brand and visitor experiences for our audiences. Our ELT are highly experienced in their respective fields and have a strong sense of collective responsibility, working together as one team for Experience Wellington's success.

Our teams work across our sites in the following groups:

- Art and Heritage
- Children, Young People and Community Engagement
- Exhibitions and Project Delivery
- Fundraising, Marketing and Communications
- Māori Engagement
- Operations – People, Finance, Commercial, and Visitor Services

Capability

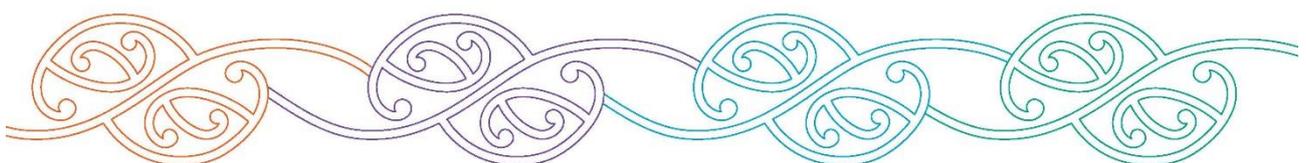
Our staff bring expertise in leadership, strategic thinking, knowledge of heritage collections, art, science, and creativity, and we appreciate their flexibility to go the extra mile to serve our audiences.

We will continue to focus on developing leadership capability to support collaborative team processes and practices. Our employee engagement strategies drive culture improvements and are directly informed by our people, who are continuously providing feedback via our employee engagement tool.

We are stronger together and are committed to the principle of collaboration and shared services. We work with Council, its associated organisations, and sector partners.

Operational Efficiencies

We have upgraded our business systems to enable efficient integration across all our platforms, including CRM database (Salesforce), retail system (Vend), and cloud-based ticketing and venue hire. Our people are connected via Office 365, allowing the ability to work across our sites and remotely. We will continue to assess each purchasing decision made, whether we can reuse or repurpose materials, and to ensure we are making the best use of every dollar that is spent.



RISK ASSESSMENT

Risk Management and Business Continuity

Our Risk Profile is reviewed regularly at executive and board level and identifies events and/or circumstances and the impact that these have on our operation using a system that ranks the probability and level of impact of the event. It includes risk management strategies such as recovery plans for specific events which carry high risk values.

Our ability to continue to operate following a major event will depend on factors outside of our control such as the extent of material damage to buildings. Business Continuity Plans have been developed at all sites.

We acknowledge that under the Health and Safety at Work Act 2015 we share Person Conducting a Business or Undertaking (PCBU) responsibilities with Council regarding Council buildings we manage and occupy.

Assessed risks which carry a lower risk value tend to be within our operational purview except for risks associated with buildings maintenance and plant performance issues which are Council's responsibility. Building and plant issues that are likely to affect business continuity or present a risk to health and safety of workers and visitors are immediately brought to Council's attention.

Wellbeing, Health & Safety

Our wellbeing, health and safety goal is a zero-harm culture and we have adopted rigorous systems and processes to ensure Health and Safety compliance, and we work closely with Council to ensure that our approach is consistent with its expectations. This is particularly relevant in the context of building management where our Health and Safety obligations overlap.

The Board maintains a high degree of awareness of the legislation related to its activities. This includes a Wellbeing, Health and Safety Management Framework that identifies and prioritises the management of critical areas of risk. This is regularly reviewed, monitored, and verified for effectiveness. Where Council and the Trust have shared responsibilities and overlapping duties, then all parties ensure there is effective consultation and co-operation to eliminate or minimise the risks and keep all those in the vicinity of our workplaces safe.

We are committed to continuous improvement of our organisation effectiveness with the objective of being an employer of choice demonstrating whanaungatanga. Our wellbeing strategy aims to build a collaborative and high performing work environment. We have invested in training to support managers navigating wellbeing with their teams, and to increase awareness and skill including mental health training programmes.

Our number one priority is to keep our visitors and our staff safe, and we are fortunate that many of our venues are large enough to allow for physically distanced experiences.

Insurance

We have adequate insurance cover to meet specific business needs and deductibles are in line with generally accepted risk management principles and affordability.

Risk to Achieving Council KPIs

KPI	Risk Description	Mitigation
Visitor numbers	Impacts from COVID-19, reputational risk	<ul style="list-style-type: none"> Actively targeting our audiences, keeping them up to date with our current visitor experiences Ensuring we are providing safe spaces with adequate social distancing and increased hygiene measures in place Ensuring alternative ways to engage visitors other than on-site. Marketing and communications strategies in place. Audience analysis and insights informing programming and marketing.
Financial targets	Operating revenue threatened	<ul style="list-style-type: none"> Continuing active conversations with Council and other funders to ensure what we deliver is in line with their expectations. Establish additional sources of commercial revenue. Operating a 'no surprises' policy with Council.
Wellbeing, Health & Safety	A serious accident/incident	<ul style="list-style-type: none"> Continuing to revisit and assess our Wellbeing, Health and Safety Work Programme, which is governed by our Board of Trustees. Effective support systems in place for staff including EAP services, team building, training, effective communication. Plan, Policies and Procedures in place that reflect the Health and Safety at Work Act 2015.
Fundraising	Breakdown in sector relationships and partnership funding. *Loss of MCH funding for Museum Redevelopment Project	<ul style="list-style-type: none"> Ensuring we are dedicating resources to this area of our business Building and nurturing sector relationships by keeping funding partners up to date with our programme of activity Alignment with funders' objectives/values Establish and maintain realistic revenue expectations

*Tagged funds of \$478k would need to be returned to MCH if not used for earthquake strengthening within the agreed timeframe.

APPENDICES

APPENDIX 1: BOARD'S APPROACH TO GOVERNANCE | Ta Poari Rapunga Whakaaro

Trustees are appointed by Council and are standard-bearers for our vision. The Board is responsible for setting the strategic direction and approving the Statement of Intent (SOI) and the Strategic Plan. The Board monitors organisational performance, the organisation's on-going viability and the maintenance of its competitiveness. It delegates the day-to-day operation to the Chief Executive, who reports to the Board.

The Board meet regularly and operates two committees (listed below) which review relevant matters prior to consideration by the full Board. In addition, the Board will convene *ad hoc* working groups to consider specific issues. Guidance in specialist areas is also provided as appropriate.

Board Committees

Audit and Risk (A&R) Committee assists the Board in carrying out its duties regarding financial reporting, risk management and legislative compliance.

People, Performance and Safety (PPS) Committee supports the Chief Executive in carrying out their responsibilities as the employer of all staff and assists the Board in chief executive matters and to meet its due diligence responsibilities regarding Experience Wellington's compliance with the Health and Safety at Work Act 2015.

Board Membership

Trustee	Term Expires	Committees
Jane Wrightson, Chair	31 December 2024 (2 nd term)	<i>Ex officio</i> of PPS and A&R
Peter Jackson	30 June 2022 (1 st term)	Chair PPS
Peter Johnston	30 June 2022 (1 st term)	A&R
Martin Matthews	31 December 2024 (1 st term)	Chair A&R
Heather Galbraith	31 December 2024 (1 st term)	PPS
Cr Laurie Foon	8 October 2022 (1 st term)	
Suzanne Snively	30 May 2025 (1 st term)	

NB. Board appointment is for a three-year term. Trustees may be reappointed to the Board provided the total number of years served by a Trustee does not exceed nine years.

Board Performance

The Board strives to meet best practice governance standards and will undertake an annual review of the overall Board, individual Trustees, and the Chair's performance, and report to the Chief Executive of Council by 30 September 2022.

APPENDIX 2: FORECAST FINANCIAL STATEMENTS | He Matapae Mō Ngā Tauāki Pūtea

Forecast	STATEMENT OF FINANCIAL PERFORMANCE	Budget Qtr to	Budget Qtr to	Budget Qtr to	Budget Qtr to	Total YE	Total YE	Total YE
30/06/22	Experience Wellington Total (\$'000)	30/09/22	31/12/22	31/03/23	30/06/23	30/06/23	30/06/24	30/06/25
Revenue								
1,436	Trading Income (Net)	350	350	375	375	1,450	1,598	1,641
8,040	Council Operating Grant	2,050	2,050	2,050	2,050	8,200	8,364	8,531
970	Council Resilience Fund				0	0	0	0
1,769	Council Rental Grant	442	442	442	442	1,768	1,769	1,769
950	Grants	250	250	350	350	1,200	1,312	1,350
650	Sponsorships and Donations	60	80	80	80	300	400	450
1	Investment Income	3	0	3	0	6	10	12
90	Other Income	40	40	40	40	160	200	220
13,906	Total Revenue	3,195	3,212	3,340	3,337	13,084	13,653	13,973
Expenditure								
7,385	Employee Costs	1,914	1,915	1,939	1,952	7,720	7,670	7,824
1,339	Council Rent	335	335	335	335	1,340	1,339	1,339
2,348	Exhibitions & Programmes	320	400	410	617	1,747	1,815	1,945
494	Marketing & Promotions	120	120	120	125	485	485	485
1,365	Occupancy Costs (excluding Council Rent)	284	293	392	397	1,366	1,392	1,421
86	Communication Costs	26	26	26	26	104	106	108
96	Trustee Fees & Expenses	28	28	28	28	112	112	112
250	Technology Costs	40	40	40	40	160	149	154
103	Professional Fees	26	26	26	26	104	90	90
140	Administration Expenses	46	46	42	43	177	175	175
300	Depreciation	80	80	80	80	320	320	320
0	Interest	0	0	0	0	0	0	0
13,906	Total Expenditure	3,182	3,272	3,401	3,630	13,635	13,653	13,973
0	Net Surplus/(Deficit) before Taxation	(24)	(97)	(98)	(332)	(551)	0	0
0	Taxation Expense	0	0	0	0	0	0	0
0	Net Surplus/(Deficit)	(24)	(97)	(98)	(332)	(551)	0	0
0.00%	Operating Margin	-0.75%	-3.02%	-2.93%	-9.95%	-4.21%	0.00%	0.00%

Assumptions

WCC operating grant increases by 2% p.a.

30/06/22	Experience Wellington Total (\$'000)	30/09/22	31/12/22	31/03/23	30/06/23	30/06/23	30/06/24	30/06/25
Shareholder/Trust Funds								
2,155	Share Capital/Settled Funds	2,155	2,155	2,155	2,155	2,155	2,155	2,155
0	Revaluation Reserves	0	0	0	0	0	0	0
447	Restricted Funds	447	447	447	447	447	447	447
1,394	Retained Earnings	1,394	1,394	1,394	843	843	843	843
3,996	Total Shareholder/Trust Funds	3,996	3,996	3,996	3,445	3,445	3,445	3,445
Current Assets								
40	Cash and Bank	40	40	40	40	40	40	40
260	Accounts Receivable	435	770	631	600	600	600	600
189	Other Current Assets	189	260	260	189	189	189	189
489	Total Current Assets	664	1070	931	829	829	829	829
Investments								
1438	Deposits on Call	2883	1250	2810	599	599	599	599
0	Other Investments	0	0	0	0	0	0	0
1,438	Total Investments	2,883	1,250	2,810	599	599	599	599
Non-Current Assets								
3364	Fixed Assets	3364	3364	3364	3364	3364	3364	3364
293	Other Non-current Assets	300	300	300	300	300	300	300
3,657	Total Non-current Assets	3,664						
5,584	Total Assets	7,211	5,984	7,405	5,092	5,092	5,092	5,092
Current Liabilities								
1270	Accounts Payable and Accruals	2893	1630	3099	1325	1325	1325	1,325
318	Other Current Liabilities	322	358	310	322	322	322	322
1,588	Total Current Liabilities	3,215	1,988	3,409	1,647	1,647	1,647	1,647
Non-Current Liabilities								
0	Loans - WCC	0	0	0	0	0	0	0
0	Loans - Other	0	0	0	0	0	0	0
0	Other Non-Current Liabilities	0	0	0	0	0	0	0
0	Total Non-Current Liabilities	0						
3,996	Net Assets	3,996	3,996	3,996	3,455	3,455	3,445	3,445
1.21	Current Ratio	1.10	1.17	1.10	0.87	0.87	0.87	0.87
0.72	Equity Ratio	0.55	0.67	0.54	0.68	0.68	0.68	0.68

Assumptions

Replacement for fixed assets will equal depreciation each year

Forecast	STATEMENT OF CASH FLOWS	Budget Qtr to	Budget Qtr to	Budget Qtr to	Budget Qtr to	Total YE	Total YE	Total YE
30/06/22	Experience Wellington Total (\$'000)	30/09/22	31/12/22	31/03/23	30/06/23	30/06/23	30/06/24	30/06/25
Operating Cash Flow								
<i>Cash provided from:</i>								
1,936	Trading Receipts	350	350	375	375	1,450	1,598	1,641
10,779	WCC Grants	4,542	442	4,542	442	9,968	10,133	10,300
950	Other Grants	250	250	350	350	1,200	1,312	1,350
650	Sponsorships and Donations	60	80	80	80	300	400	450
1	Investment Income	3	0	3	0	6	10	12
90	Other Income	40	40	40	40	160	200	220
14,406		5,245	1,162	5,390	1,287	13,084	13,653	13,973
<i>Cash applied to:</i>								
7,385	Payments to Employees	1,914	1,915	1,939	1,952	7,720	7,532	7,683
7,081	Payments to Suppliers	1,843	837	1,848	1,505	6,043	5,801	5,970
42	Net GST Cash Flow	0	0	0	0	0	0	0
0	Interest Paid	0	0	0	0	0	0	0
14,508		3,757	2,752	3,787	3,457	13,753	13,333	13,653
-102	Total Operating Cash Flow	1,488	(1,590)	1,603	(2,170)	(669)	320	320
Investing Cash Flow								
<i>Cash provided from:</i>								
0	Sale of Fixed Assets	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0
<i>Cash applied to:</i>								
157	Purchase of Fixed Assets	80	80	80	80	320	320	320
0	Other	0	0	0	0	0	0	0
157		80	80	80	80	320	320	320
-157	Total Investing Cash Flow	(80)	(80)	(80)	(80)	(320)	(320)	(320)
Financing Cash Flow								
<i>Cash provided from:</i>								
0	Drawdown of Loans	0	0	0	0	0	0	0
0	Other WCC Financing	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0
<i>Cash applied to:</i>								
0	Repayment of Loans	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0
0	Total Financing Cash Flow	0	0	0	0	0	0	0
-259	Net Increase/(Decrease) in Cash Held	1,408	(1,670)	1,523	(2,250)	(989)	0	0
1,737	Opening Cash Equivalents	1,478	2,886	1,216	2,739	1,478	489	489
1,478	Closing Cash Equivalents	2,886	1,216	2,739	489	489	489	489

Forecast	CASH FLOW RECONCILIATION	Budget Qtr to	Budget Qtr to	Budget Qtr to	Budget Qtr to	Total YE	Total YE	Total YE
30/06/22	Experience Wellington Total (\$'000)	30/09/22	31/12/22	31/03/23	30/06/23	30/06/23	30/06/24	30/06/25
0	Operating Surplus/(Deficit) for the Year	(24)	(97)	(98)	(332)	(551)	0	0
	Add Non-Cash Items:							
300	Depreciation	80	80	80	80	320	320	320
0	Other	0	0	0	0	0	0	0
300		80	80	80	80	320	320	320
	Movements in Working Capital							
500	(Increase)/Decrease in Receivables	(175)	(335)	139	31	(340)	0	0
-45	(Increase)/Decrease in Other Current Assets	3	(5)	7	(5)	0	0	0
2	Increase/(Decrease) in Accounts	0	0	0	4	4	0	0
(859)	Increase/(Decrease) in Other Current Liabilities	1,604	(1,233)	1,475	(1,948)	(102)	0	0
(402)		1,432	(1,573)	1,621	(1,918)	(438)	0	0
	Net Gain/(Loss) on Sale:							
0	Fixed Assets	0	0	0	0	0	0	0
0	Investments	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0
-102	Net Cash Flow from Operations	1,488	(1,590)	1,603	(2,170)	(669)	320	320

APPENDIX 3: ACCOUNTING POLICIES

Significant Accounting Policies

The following accounting policies which have a material effect on the measurement of results have been adopted by Experience Wellington.

1. Reporting entity

The Wellington Museums Trust Incorporated, trading as Experience Wellington, is a Registered Charity CC22571 under the Charities Act 2005. It is a Council Controlled Organisation (CCO) in terms of the Local Government Act 2002.

The forecast financial statements of Experience Wellington for 2022-23 onwards includes the activities of the following business units - the Experience Wellington Executive Office, Capital E, City Gallery Wellington, Museums Wellington covering Wellington Museum, Nairn Street Cottage, the Wellington Cable Car Museum, and Space Place at Carter Observatory.

The principal activity of Experience Wellington is to develop and manage institutions and to operate them for the benefit of the residents of Wellington and the public generally. For the purposes of financial reporting, Experience Wellington is a public benefit entity (public sector).

Experience Wellington has no intention of subscribing for, purchasing, or otherwise acquiring shares in any other company or other organisation.

2. Basis of preparation

a) Statement of compliance and basis of preparation

The forecast financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZGAAP). They comply with Tier 2 PBE Accounting Standards (Public Sector) and disclosure concessions have been applied.

Experience Wellington has elected to report in accordance with Tier 2 PBE Accounting Standards (Public Sector) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$30 million.

b) Basis of measurement

The forecast financial statements are prepared on the historical cost basis.

c) Presentation currency

These forecast financial statements are presented in New Zealand dollars (\$).

3. Significant accounting policies

The accounting policies set out below will be applied consistently to all periods presented in the financial statements.

a) Property, plant, and equipment

Items of property, plant and equipment are stated at cost, less accumulated depreciation, and impairment losses.

(i) Subsequent costs

Subsequent costs are added to the carrying amount of an item of property, plant, and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to Experience Wellington and the cost of the item can be measured reliably. All other costs are recognised in surplus/ (deficit) as an expense as incurred.

(ii) Depreciation

Depreciation is charged to surplus/ (deficit) using the straight-line method. Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. The estimated useful lives of major classes of assets and resulting rates are as follows:

- Computer equipment 33% SL
- Office and equipment 25% SL
- Motor vehicles 20% SL
- Building Fittings 5%-25% SL
- Collections & artefacts Not depreciated

The residual value of assets is reassessed annually.

b) Collections and artefacts

Collections are artefacts that are of cultural or historical importance. A substantial amount of Experience Wellington's Collections were acquired on 29 February 1996 from the Wellington Maritime Museum Trust (WMMT) with others added either as gifts or purchases since 1996. Collections are carried at historic cost as assessed at the time of transfer from the WMMT. All subsequent acquisitions to the collections are recorded at cost if purchased. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. Where the fair value of the assets is not able to be reliably measured, they are recorded at nil. Because the useful life of the collections is indeterminate, they are not depreciated.

An external valuation of the Collections from an independent valuer is obtained on a periodic basis to ensure that the carrying value of the Collections that are held at cost does not exceed their fair value.

The Trustees obtained a valuation at 30 June 2014 and have confirmed that the carrying value at 30 June 2019 is appropriate and that no impairment has occurred.

c) Intangible assets

Computer software

Software applications that are acquired by Experience Wellington are stated at cost less accumulated amortisation and impairment losses.

Amortisation is recognised in surplus/ (deficit) on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Computer software 33% SL

d) Trade and other receivables

Trade and other receivables are measured at their cost less impairment losses.

e) Inventories

Inventories (merchandise) are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

g) Impairment

The carrying amounts of Experience Wellington's assets other than inventories are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is also recognised in the surplus or deficit.

h) Employee benefits

Long service leave: Experience Wellington's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market yield on relevant New Zealand government bonds at the Statement of Financial Position date.

i) Provisions

A provision is recognised when Experience Wellington has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market rates and, where appropriate, the risks specific to the liability.

j) Trade and other payables

Trade and other payables are stated at cost.

k) Revenue

(i) Funding

Experience Wellington's activities are supported by grants, sponsorship, admissions, and other trading activities. Grants received that have an obligation in substance to return the funds if conditions of the grant are not met are initially recognised as a liability and revenue is recognised only when the services are performed, or conditions are fulfilled.

Funds received that have no such obligation attached and merely a restriction imposed on the use of funds, are recognised as revenue when they become available.

(ii) Services provided

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Income is recognised as the service is provided (e.g., exhibition run). Where exhibitions are not scheduled to run until the following fiscal year, revenue is deferred and amortised to income throughout the period of the exhibition.

(iii) Donations

Cash donations from the community are recognised in the Income Statement at the point at which they are received into Experience Wellington's bank account.

(iv) Sale of merchandise

Revenue from the sale of merchandise is recognised in surplus/ (deficit) when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of the merchandise, or where there is continuing management involvement with the merchandise.

l) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in surplus/ (deficit) on a straight-line basis over the term of the lease. Lease incentives received are recognised in surplus/ (deficit) over the lease term as an integral part of the total lease expense.

(ii) Finance income and expenses

Finance income comprises interest income. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in surplus/ (deficit) using the effective interest method.

m) Availability of future funding

Experience Wellington is reliant on the Wellington City Council for a large part of its income and operates under a Funding Deed with the Council. The Funding Deed is for a period of three years and is extended annually for a further year subsequent to the initial 3-year term.

If Experience Wellington was unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the fact that assets may need to be realized other than at the amounts stated in the balance sheet. In addition, Experience Wellington may have to provide for further liabilities that might arise, and to reclassify property, plant, and equipment as current assets.

n) Income tax

Experience Wellington is a Registered Charity and is exempt from income tax. Experience Wellington is not exempt from indirect tax legislation such as Goods and Services Tax, Fringe Benefit Tax, PAYE or ACC and accordingly it is required to comply with these regulations.

o) Goods and services tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

4. Ratio of Total Assets: Liabilities

- Experience Wellington prefers to remain debt-free.
- Debt may not be raised to finance operating expenses.
- Experience Wellington has a policy ratio of total assets to total liabilities of 3:1.

5. Activities for which compensation from Council is sought

Experience Wellington seeks funding of \$8,200K for the core operation including Space Place at Carter Observatory and an accommodation rental subsidy of \$1,768K for the 2022-23 financial year and an extension of the Wellington Museums Trust Funding Deed executed on 28 October 1999 in accordance with clause 5.2 of the Deed.

6. Ratio of Shareholders' funds to total assets

Based on the forecasted Statement of Financial Position as at 30 June 2022 the ratio of shareholders' funds to total assets is 0.72 and this is maintained in the forecasted Statement of Financial Position as at 30 June 2022.

7. Significant Obligations/Contingent Liabilities

Experience Wellington currently holds no cash reserves to meet operational requirements and to mitigate risks.

Experience Wellington has no contingent liabilities.

8. Distribution to Settlor

Experience Wellington does not make a distribution to the Settlor.

APPENDIX 4: 2022-23 PROGRAMME OF ACTIVITY

Every year we provide an array of unique visitor experiences at all our sites. From the stories of Wellington to exploring the southern skies, to the vast array of educational experiences we provide to thousands of school children. We proudly contribute to the social wellbeing of our city with regular programming and exhibitions on offer.



Art nourishes our souls and fires our imaginations. City Gallery Wellington Te Whare Toi provides ground-breaking exhibitions and learning programmes that make the best of contemporary art accessible to all. We are proud to be able to offer customised programmes for groups with specific needs such as *Gallery Babes* where mātua can bring their pēpi to meet with other caregivers to enjoy relaxed gallery tours, or *Gallery Seniors* where our tūnohunohu can join others aged over 65 for a relaxed and social guided tour.

Throughout the year we will continue to offer a range of contemporary art exhibitions, including *Maturau* curated by Wellington-based Māori artist, educator, and curator, Shannon Te Ao, whose exhibition considers what it means to be an artist working within Te Ao Māori at a time of COVID-19.



PlayHQ is Capital E's public play space, made for the city's youngest creatives. There's plenty of opportunity for children to be creative, have a dance, a sing-along, and for the grownups to sit and enjoy connecting in a safe and welcoming space. Situated above PlayHQ are two bespoke digital and film studios, where we welcome rangatahi from across Aotearoa to create stories, music, apps and animation together. These studios host thousands of young people in school visits, as well as in holiday programming every year.

Capital E's National Theatre for Children creates, produces, presents, and tours high quality dynamic theatre and performing arts experiences for children aged 2 – 12 years that is relevant, transformative, and fun. We believe every young New Zealander should have the opportunity to experience the best performance art that speaks of Aotearoa and their place in the world. The Capital E team also works in partnerships across the capital's creative sector: providing child-focussed goodness for Cuba Dupa, Children's Day and other events.



Wellington Museum tells the stories of Te Whanganui-a-Tara through interactive exhibitions and local taonga reflecting our city's rich social and cultural history. Visitors can explore the museum's four floors independently or gain more insight by booking a *Cup of Curiosity Tour* or *Ship 'n' Chip Tour* which includes a trip to Matiu/Somes Island. In association with Autism New Zealand, we welcome our neurodiverse communities to explore local taonga in a calm and quiet space at one of our low-sensory hours held monthly and featuring reduced light and sound.



Visitors can enjoy a step back in time to learn about one of our earliest transport systems, the Cable Car. This unique visitor experience explores the establishment of one of Wellington's most iconic objects, how the technology has shaped Wellington, and the refurbishment of the historic 1905 Grip Car.

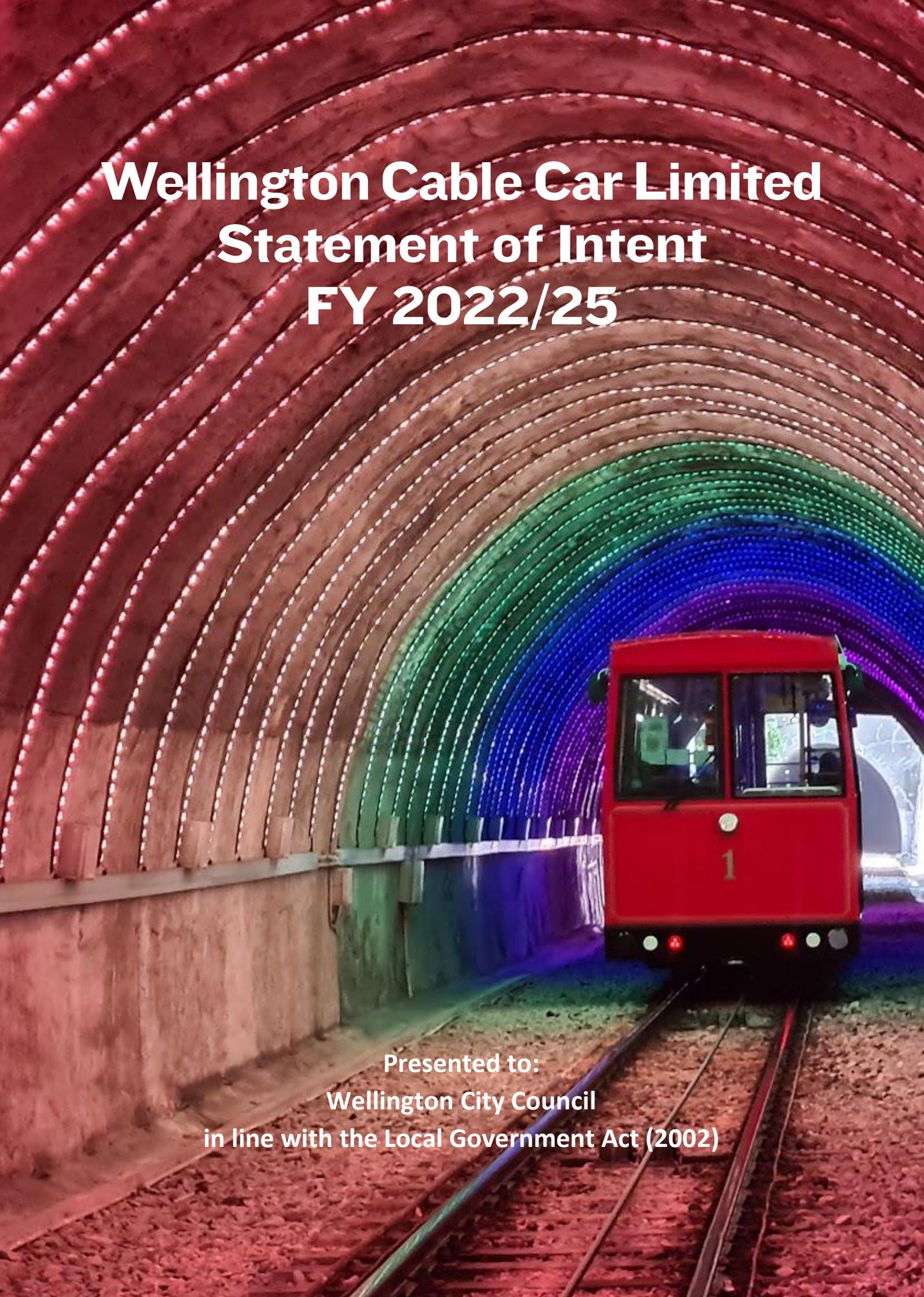


Just a short stroll through the Botanical Gardens you'll find Space Place which regularly hosts school groups to learn and explore the galaxy around us. *Astronomy on Tap* is also offered monthly at Space Place, where visitors can "cheers" to the stars with complimentary drink in hand, exploring the night sky in the stunning, full-dome planetarium.



Guided Tours are offered at one of Wellington's oldest homes, Nairn Street Cottage. Each room is dedicated to a member of the Wallis family (the original occupiers) and decorated according to their era and style. In the Visitor Centre next door, your guide will uncover wider historical context that influenced the cottage's construction and changes. The authentically presented heritage garden in the back yard is a beautiful example of living history and is always available to the public.





Wellington Cable Car Limited Statement of Intent FY 2022/25

**Presented to:
Wellington City Council
in line with the Local Government Act (2002)**

Contents

INTRODUCTION.....	3
1. ABOUT WELLINGTON CABLE CAR (WCCL).....	5
2. LET’S TALK ABOUT COVID.....	6
3. OTHER FINANCIAL PRESSURES AT THE CABLE CAR	7
4. FY 2022/23 PLANS.....	8
5. STRATEGIC ALIGNMENT TO WCC	9
6. FY 2022-23 PERFORMANCE MEASURES.....	13
7. HOW WE OPERATE	15
8. FINANCIAL INFORMATION	17

In accordance with the Local Government Act 2002, this Statement of Intent (SOI) states the planned activities, intentions, and performance measures for the Wellington Cable Car (WCCL) for the next three years. It responds to the Wellington City Council (WCC) December 2021 Letter of Expectation.



INTRODUCTION

Wellington Cable Car Limited (WCCL) has been a profitable Council Controlled Organisation (CCO) for many years. As such, it did not require funding assistance from Wellington City Council (WCC) and was in a strong position where WCCL self-funded all its ongoing maintenance, CAPEX, and asset renewals and maintained good financial reserves.

This position has changed significantly due to the impacts of COVID-19. If we take FY 2018/19 as a pre-COVID baseline year, WCCL hosted 1.17M trips and generated \$5.3M in operating income and a before-tax surplus of \$930k. In FY 2021/22, due to COVID-19 impacts, trip numbers are expected to decrease to 330k, and operating income to fall to \$1.2M. This represents a 77% reduction in operating revenue and a 72% reduction in trips in just three years. For FY 2021/22, despite receiving direct support from the Council of \$1.3M, WCCL is forecasting a before tax deficit of \$576k. (See Figure 1). This unprecedented change in the operating environment due to COVID-19 has severely impacted WCCL's immediate future financial situation.

All businesses that have exposure to tourism across Aotearoa face these challenges, including many in our CCO whānau. However, WCCL is unique in that its passenger numbers were heavily reliant on cruise ship and international visitors to Wellington while providing a commuter service to connect the CBD to VUW, Kelburn and surrounding areas.

While this situation is beyond our control, our focus is to continue to tighten our belts as and where we can while never losing sight of the fact that we are a community asset and provide a service to many Wellingtonians. Our community is our whānau too, and rightly feels a sense of ownership and pride in who we are and what we do.

WCCL recognised early on that there is no silver bullet, however, our ultimate success was to be made of thousands of small wins to make a meaningful difference to enable us to survive until cruise ships and international tourists returned to Wellington. For its part, WCCL has sought to right size the business through cost-cutting, streamlining operations, and renegotiating terms of external contracts where appropriate to adapt to the current economic environment. We have developed a more nimble and adaptable business framework while prioritising all essential maintenance and repairs and the wellbeing of our people. Our marketing and promotion approach has refocused on being very tactical, linked to activities and other activations within the precinct and city. In short, we are running as lean as possible.

	2018/19	2019/20	2020/21	2021/22 Re Forecast	2022/23 Budgeted	2023/24 Budgeted	2024/25 Budgeted
Passenger numbers	1,170,392	862,487	567,721	331,844	624,280	798,305	936,350
Operating expenditure	\$ (3,984)	\$ (3,376)	\$ (2,886)	\$ (2,646)	\$ (2,911)	\$ (3,292)	\$ (3,485)
Operating income	\$ 5,304	\$ 2,910	\$ 1,713	\$ 1,070	\$ 2,020	\$ 2,769	\$ 3,438
Grants & Subsidies	\$ -	\$ 139	\$ 1,639	\$ 1,309	\$ 891	\$ 523	\$ 47
Profit/(Loss) Before Tax & Depreciation (EBITDA)	\$ 1,320	\$ (327)	\$ 466	\$ (267)	\$ -	\$ -	\$ -
Depreciation	\$ (389)	\$ (294)	\$ (579)	\$ (309)	\$ (341)	\$ (341)	\$ (341)
Profit/(Loss) before Tax	\$ 930	\$ (621)	\$ (113)	\$ (576)	\$ (341)	\$ (341)	\$ (341)
Closing Cash Position	\$ 5,007	\$ 3,786	\$ 3,174	\$ 3,155	\$ 3,509	\$ 3,451	\$ 3,687

Figure 1- WCCL Commercial position

Now in the third year of the pandemic, Wellington Cable Car continues to be highly exposed to reduced visitor numbers. Anecdotal evidence from the Auckland lockdown in October–December 2021 resulted in an estimated 30% decrease in domestic visitation for the Cable Car. It is not simply the impact of closed borders -- the Auckland lockdowns in 2021, a local workforce still working from home, and changing isolation requirements related to COVID variants have also resulted in a significant decrease in commuters and domestic passengers.

Currently, NZ is slowly re-opening its international borders, so we have accounted for the gradual return of international tourism in visitor and revenue forecasts. If air or maritime borders were to close due to the emergence of new variants, or commercial tour and cruise operators decided not to visit Wellington, it would significantly negatively impact visitor and revenue forecasts. At the time of writing, it is not clear how many cruise ships will visit Wellington during FY2022/23, but the assumption has been made to include a gradual return to those visitors.

There is no doubt that this national icon will continue operating. Since the pandemic began, the Cable Car has drawn on its cash reserves earmarked for future CAPEX and asset replacement to cover operational losses. Until international travel recovers, tourism numbers return, and local business activity returns to pre-pandemic levels, the Cable Car will continue to rely on WCC funding.

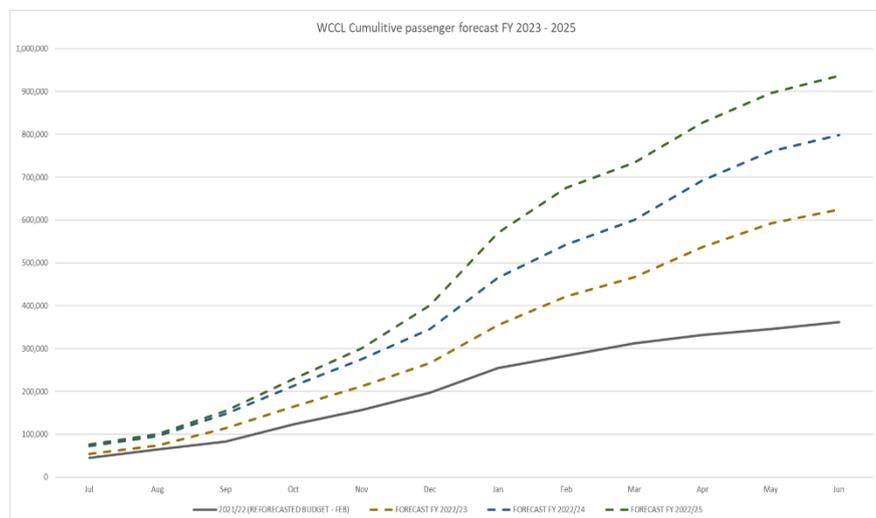


Figure 2 - WCCL Passenger forecast

The Cable Car Board and management are deeply appreciative of ongoing support from Council that has enabled the company to maintain its service to Wellingtonians with minimal disruptions. Current forecasts indicate that over the next three years, WCCL will post before depreciation deficits of approximately \$1.5M so this would be the indicative financial support required from WCC. **This is our current updated forecast as at April 2022 in reference to feedback received from WCC.**

Direct funding is essential for the long-term maintenance and asset renewal of the Cable Car. This combination of low visitation and upward pressure on the cost of doing business means that cash reserves continue to be eroded. With ongoing WCC grant support, the Cable Car will continue to deliver to Council expectations of our business, whether we endure the COVID–19 storm for a longer period or facilitate a faster bounce back. Without ongoing Council support, running down these reserves will mean that future renewal and maintenance costs will require shareholder funding.

I. ABOUT WELLINGTON CABLE CAR (WCCL)

I.1. Who We Are

Wellington Cable Car Limited (WCCL) is a Council Controlled Organisation (CCO) with Wellington City Council (WCC) as the sole shareholder. We are governed by an independent Board of Directors appointed by WCC.

As kaitiaki of this Te Whanganui-a-Tara taonga, WCCL delivers an iconic and valued service and is responsible for the ongoing maintenance and safe operation of the Cable Car business, ensuring it adheres to the highest safety and engineering standards and complies with all relevant legislation.

I.2. Our Shared Purpose

In 2020 WCCL adopted a new shared purpose and guiding values to **'Host uniquely Wellington experiences that locals are proud of, and visitors remember and share'**.

Ongoing key elements of this are:

Kaitiakitanga

Custodians of a Wellington taonga and our environment

Safe Workplace

Safe site and safe conversations

Guest Centred

The guest experience makes our business

Pride

We strive to take pride in everything we do

Team

The team works together to deliver consistently great Wellington experiences

Adaptability

We embrace new ideas to sustain and improve our business

I.3. Our Place in Te Whanganui-a-Tara / Wellington

WCCL is an iconic Te Whanganui-a-Tara / Wellington attraction:

- A community asset for Te Whanganui-a-Tara of which we are all proud
- A reliable source of transport for residents and VUW students
- An invaluable 'connector' between local businesses and attractions (including CCOs and Council) in Kelburn-Paekākā and the CBD
- A 'must do' activity for all visitors to the capital
- A tourism symbol indelibly linked with the Wellington identity and community

2. LET'S TALK ABOUT COVID

None of us want to be talking about COVID-19 three years down the track, but the reality is it's still here, still impacting operations and having long-term effects on our business.

Despite Aotearoa enjoying high vaccination and booster rates plus vaccines for youngsters, we still face the new variants, high case numbers and hospitalisations, some closed international borders and severely reduced domestic visitation for some time to come. At the time of writing, the Government's position does not signify a full return to 'normal' anytime soon.

Tourism Industry Aotearoa (TIA) statistics to March 2021 show a 91.5% decline in international visitor spend in NZ to just \$1.5 billion, compared to the pre-pandemic annual spend of \$17.5b. The Cable Car financial results reflect these statistics.

WCCL has adapted to these changing circumstances and has developed a COVID-resilient operational plan that is nimble, flexible, reactive to change and proactive where possible and applicable. Our approach to marketing has become much more targeted and tactical. Covid-resilient success stories in FY 2021/22 include:

- **Bark and Ride initiative** enables dogs to ride on the Cable. We empower connection with ever-increasing numbers of CBD residents (at the time of writing 360) and the beautiful green spaces of **Wellington Botanical Gardens**.
- Collaboration with Experience Wellington in **Take a Red Rocket to Space** welcomed 1,400 Wellingtonians on the Cable Car and to **Space Place**.
- We established **Ice Cream, Waffle and Coffee** pop-up shops during holidays and peak visitation periods to surprise and delight passengers and create additional revenue streams.
- Hosting **family-focused events** over Easter, Halloween, and Christmas.
- Hosting **concerts, live streams and performances**. We empower connection with Wellington creatives by providing a stage to perform in a unique environment.
- Develop school-specific products in collaboration with Cable Car Museum to enhance school trips.
- WCCL's support of the **Gardens Trail** welcomed over 800 Wellingtonians through the Cable Car to the top of the gardens.
- With support from WellingtonNZ, 820 Wellingtonians redeemed the tickets for the Cable Car as part of the **2021 Advent Calendar**. This was the highest number since the Cable Car joined the promotion.
- Improved signage on Lambton Quay to provide better Cable Car visibility.
- Collaboration with **WETA workshop**, which entailed becoming the 'home' of a Lord of The Rings movie prop during LOTR 20th anniversary celebrations
- **Bird Strike Mitigation project** to continue to support conservation efforts of a number of local organisations and CCO's such as Zealandia and Wellington Zoo
- Development of a Membership product – a first for the Cable Car – with reduced fares for a three-month period to encourage commuters and students to travel more.

Planning for FY 2022/23 includes:

- Collaborations and innovative 'outside the box' thinking will continue throughout the year as per above and in conjunction with citywide celebrations of our 120th birthday, adding more perceived and real value to our asset in the eyes of our wider community
- A monthly programme of new activities and re-runs of successful initiatives from 2021/22.
- Further targeted promotions with CCO whanau and other stakeholders in the Kelburn-Paekākā precinct.
- Reimagining what the Kelburn-Paekākā precinct for the benefits of the Cable Car, CCO Whanau

- Continued improvements to signage at the terminals and top of Cable Car.
- Planning for Matariki events and supporting citywide initiatives.
- Installing ‘Feather Friendly’ decals to help reduce native bird strikes at the Kelburn terminal.
- Collaborating with **Wellington City Mission** and **Ronald McDonald** house to enable greater access to the Cable Car.

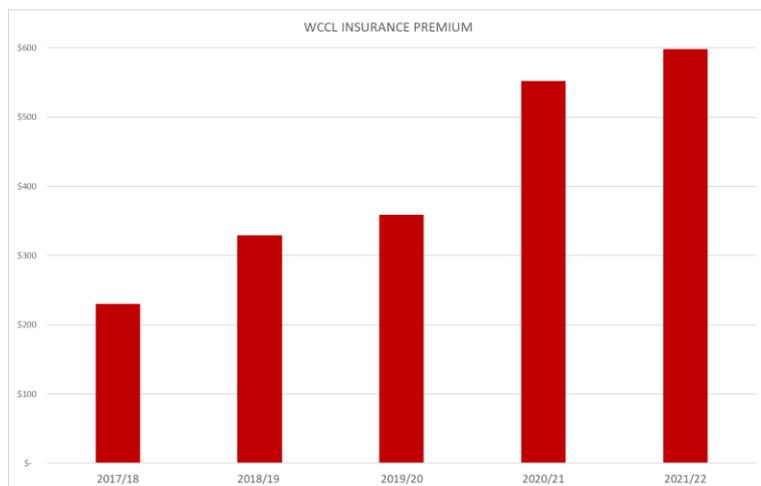
3. OTHER FINANCIAL PRESSURES AT THE CABLE CAR

COVID impacts have been discussed at length in the preceding sections, but the Cable Car is facing significant other financial pressures adding additional stress to a challenging operating environment.

3.1. INSURANCE

Ongoing increases to the cost of insurance is a significant business risk and a key driver in preventing WCCL from returning to a profitable state. In FY 2021/22, WCCL’s insurance premium was \$598k, up to \$269k (82%) from our comparative year in FY 2018/19. If you compare FY 2021/22 to FY 2013/14, insurance premiums have increased by \$368k (160%) over the last four years. Early indications show premiums will once again increase.

WCCL has made significant and ongoing efforts over the past two years in particular to reduce this outlay and continues to explore alternative measures to mitigate this risk.



3.2. INFLATION

Despite operating more efficiently than pre-COVID times, the Cable Car is a largely fixed-cost business and continues to operate at a nearly minimum staffing level. As we enter a period of rising costs from labour and energy, generally, our ability to recover these costs is limited to increasing ticket prices. The Board will review the overall pricing strategy, so the draft financial statements include a provision for a 6.7% increase in ticket prices for casual users.

4. FY 2022/23 PLANS

WCCL's vision for FY 2022/23 is to *'host uniquely Wellington experiences that locals are proud of, and visitors remember and share'*. No matter what's happening on the global stage, we're single-minded in our focus to ensure the Wellington Cable Car provides safe, reliable, and efficient service to commuters and domestic visitors while ensuring we're able to 'hit the ground running' when borders open and international visitors return.

In addition to expectations for WCCL as set out by Council (covered in Section 4.1), our key priorities for FY 2022/23 are:

1. **Wellbeing of Staff**

After three years of COVID uncertainty and with increasing pressures to live and work in Pōneke, ensure our staff are looked after and engaged in delivering our mission.

2. **Tunnel lights repairs & enhancement**

Our tunnel lights are the most commented on aspect of the Cable Car journey. They are approaching their 'end of life', and planning is underway to repair and replace the lights. We will explore next generation opportunities to include power saving initiatives coupled with revenue generation opportunities.

3. **Product development**

We will continue developing and refining new products, especially those opening new revenue streams and attracting new market segments. This will include continuing to develop collaborations with our CCO whānau, especially around the Kelburn-Paekākā precinct.

4. **Complete seismic resilience work on the middle tunnel**

In the first half of FY 2022/23, we will complete the seismic strengthening of the middle tunnel, which involves installing 16 rock anchors along the Portal Wall, Parapet, and adjacent North Wall. This will improve the Cable Car's overall seismic resilience.

5. **Complete structural and seismic investigation of our three bridges**

We have a good understanding of the condition of our tunnels, track and buildings. The next stage of our work will be around assessing and understanding the condition of the three bridges.

6. **Carbon Zero & Waste minimisation**

It is our collective ambition to achieve Carbon Zero this financial year and look at ways to be Carbon Positive in the future. This year we have benchmarked how much waste is produced and we want to ensure that this is rolled out to the customer side of things this year

7. **Adjustment in fares**

A full review of pricing structures and segments is underway, and we expect that some ticket prices for FY 2022/23 will increase as a result of the review.

WCCL will continue to ensure that revenue opportunities are a key focus and financial discipline is maintained to minimise the draw on cash reserves and ensure our return to financial sustainability as soon as possible.

5. STRATEGIC ALIGNMENT TO WCC

WCCL aligns its strategy and service delivery to WCC in the following ways:

<p>Absolutely Positively Wellington City Council Me Heke Ki Pōneke</p>	
<p>Kia eke panuku Māori Strategic Direction</p>	<p>WCCL is at the start of its Te Ao Māori journey but is excited to start to develop and nurture ties with mana whenua and Māori.</p> <ul style="list-style-type: none"> - Developing a unique tikanga for the Cable Car - Actively find opportunities to partner with mana whenua to raise the status and awareness of the Māori language - Adopting Te Reo / English signage - Working in partnership with mana whenua to tell stories - Supporting Puanga and Matariki activations - Looking at and introducing Māori names where appropriate -
<p>Te Atakura First to Zero Policy</p>	<p>The Cable Car is an incredibly efficient mode of transport, designed with regenerative braking, which feeds excess energy back into the grid.</p> <p>In FY 2021/22, WCCL will complete Carbon Accounting to achieve EKOS Carbo Zero certification in FY 2022/23. We will seek to achieve EKOS Carbon Positive certification in FY 2022/23.</p> <p>In FY 2021/22, WCCL focused on waste reduction and maximising the amount of waste diverted from landfill via recycling programmes. WCCL is committed to extending the korero to customers to join our journey in FY 2022/23.</p>
<p>Aho Tini 2030 – Arts, Culture and Creativity Strategy</p>	<p>WCCL actively looks for opportunities to partner with local creatives. In FY 2021/22 we hosted live streams with Drax Project, concerts and performances as part of the ‘city as theatre’ initiative and several family-focused events over Easter, Halloween, and Christmas.</p> <p>In FY 2022/23 WCCL will continue to look for ways to engage creatives in addition to embracing new opportunities to collaborate with council initiatives around new events and holidays such as Matariki.</p>
<p>Economic Wellbeing Strategy</p>	<p>The Cable Car journey remains an iconic symbol of Wellington internationally and a “must do” for all visitors to Wellington. In addition to being one of Wellington’s major attractions it serves as a gateway to the important Kelburn precinct, which is home to the Cable Car Museum, Space Place, Kelburn Village, Zealandia, and Botanic Gardens.</p> <p>For residents, it provides a commuter service to the CBD and the Kelburn area.</p>



WCCL continues to maintain BeLab Platinum Accessibility rating and is featured on Firstport – Accessible Day out Library website as one of the few accessible activities in Wellington.

Accessible Wellington

We remain focused on improving accessibility for all visitors and any future development ensures that accessibility is considered.

5.1. Specific Expectations

**Absolutely Positively
Wellington City Council**
Me Heke Ki Pōneke



Council expects the company to outline its plans and priorities for improving the seismic resilience of its network in the context of having budgeted Waka Kotahi funding for the project withdrawn.

With the failure to secure funding support from Waka Kotahi, WCCL has prioritised its work programme to deliver the most essential works within available funding.

This will see tunnel strengthening of the Upper Portal, Parapet and adjacent North wall of the Middle Tunnel completed in FY 2022/23. These are the highest risk areas and a significant step in ensuring ongoing seismic reliability.

During 2022/23 WCCL will complete the condition assessments of the three bridges.

Further capital works have been deferred until funding is available; there are no areas of immediate concern due to deferring these works.

The company has demonstrated its adaptability in supporting cultural activities in the city using the Cable Car as a stage. Council would like to see the company commit to developing new opportunities to strengthen the alignment with this important Council strategy, both for the benefit of the city and the Cable Car service.

WCCL actively looks for opportunities to partner with local creatives. In the past 12 months, WCCL has hosted live streams, concerts, performances and shows. (See [Aho Tini 2030 – Arts, Culture and Creativity Strategy](#) above)

With strengthening relationships and a demonstrated track record of working with our creative community, WCCL is committed to exploring ways to support and showcase cultural activities for the benefit of its passengers and while contributing to the ongoing vibrancy of the city.

WCCL is thrilled to have partnered with the Urban Wildlife Trust to deploy the ‘feather friendly’ bird strike prevention project to minimise the number of bird strikes at the Kelburn terminal. This is a first in NZ and complements outstanding conservation work by associated groups.

WCCL is continuously investigating options to enhance the visitor experience and prepare for the return of tourists.

FY 2021/22 achievements include:

- Improved signage on Lambton Quay to guide people down Cable Car Lane
- Ongoing activation at Kelburn Terminal
- Achieved Qualmark GOLD
- Achieved COVID CLEAN

FY 2022/23 actions include:

- Achieve EKOS Carbon Zero
- Wayfinding and directional signage at both terminals, including more digital screens
- Events, packages, promotions, and new products to celebrate the 120th year of our national icon
- Replacement and upgrade of tunnel lights
- Curating the customer journey from Lambton Quay, though Cable Car Lane, Lambton Terminal to Kelburn with domestic and international visitors in mind
- Tourist sector famils and engagement

The company's SOI should give Council confidence that the company is using the current operating environment well to prepare for the return of domestic and international tourists to Wellington and that its service is refreshed and ready to thrive.

The Cable Car is the critical link for locals and visitors to Wellington between Lambton Quay in the CBD and the Kelburn-Paekākā precinct.

The Kelburn terminus precinct of the Wellington Cable Car is a critical point for visitors and locals as it offers iconic views of Wellington city and access to a variety of attractions and environments which are important to Wellington. The Cable Car provides both critical transport and the opportunity to provide a unique experience for people accessing the precinct to get to other attractions such as Space Place, Zealandia, the Botanic Garden and Kelburn village.

WCCL continues to lead and organise a monthly korero with businesses in the precinct, including several CCOs and WCC business units to strengthen collaborations to drive visitation and improve the experience for locals and visitors. WCCL will in FY 2022/23 lead the development of an integrated plan for the Kelburn-Paekākā precinct. The goal is to ensure that the experience provided to future visitors, the length of time they spend in the precinct, and the expenditure they make is significantly enhanced, contributing to the broader city visitor economy. This work will be supported by WellingtonNZ through activation of the recently published 'Destination Pōneke' management plan.

The Council expects the company to work together with Council and other stakeholders in this area to improve its vibrancy and appeal to locals and visitors now and to into the future. Together with Experience Wellington and WellingtonNZ, the company should lead the planning for early interventions to add value to the Cable Car journey and celebrate the historic area, and to develop longer term plans for its future that create an integrated experience which leads to more frequent visitation.

2022 is the year in which we are telling the story of the 120-year history of the Wellington Cable Car through events, packages, promotions, and new products to celebrate this national icon.

This will be subject to events management under COVID-19 restrictions, local or national lockdowns, potential future restrictions on numbers and other unforeseen factors.

A range of initiatives are in place and have been designed to be flexible as per the above. The goal is to engender true community understanding and 'buy-in' to a journey through history involving generations of Wellingtonians.



In FY 2022/23, WCCL plans to achieve Carbon Zero certification and remains resolute to become carbon positive by FY2023/24. It will work with EKOS to find ways to reduce its carbon footprint where possible and be a leader in a low carbon economy.

Council expects the Cable Car to leverage its modest carbon footprint in the messaging and profile-building as the company rebuilds its business in the post-Covid economy.

In FY 2021/22, in collaboration with OCS (Cleaning contractors), WCCL began to track and measure the amount of waste WCCL was producing and how much was being diverted from landfill as part of recycling initiatives.

This initial step focused on staff areas and served to gather benchmark data to help with future waste minimisation initiatives. In FY 2022/23, we plan to extend this mahi to public areas of the business to reduce our waste footprint.

6. FY 2022-23 PERFORMANCE MEASURES

WCCL monitors our performance over these categories:

1. Environmental
2. Health & Safety
3. Service Delivery
4. Reliability / Timeliness
5. Visitation
6. Revenue

6.1. ENVIRONMENTAL

KPI	How it's measured	2022-23	2023-24	2024-25
Zero Carbon Accreditation	Carbon accounting and offsetting with an accredited organisation	Achieve Carbon Zero	Achieve Carbon Positive	Maintain Carbon Positive
Waste minimisation	Total Waste Reduction (Baseline is currently being established)	5% YOY reduction	5% YOY reduction	5% YOY reduction

6.2. HEALTH & SAFETY (H&S)

KPI	How it's measured	2022-23	2023-24	2024-25
Quality of WCCL infrastructure	Rail safety licence maintained	Maintain	Maintain	Maintain
H&S is actively managed and improved	Part of the risk register is reviewed at each H&S meeting. Mitigation and minimisation options discussed and implemented where possible	Maintain	Maintain	Maintain
	Independent H&S audit completed, and recommendations implemented	Maintain	Maintain	Maintain

6.3. SERVICE DELIVERY

KPI	How it's measured	2022-23	2023-24	2024-25
Customer Satisfaction	Maintain Net Promoter Score equal to or better than CXI benchmark.	Maintain	Maintain	Maintain
	Google rating	4.2 or higher	4.2 or higher	4.2 or higher
	TripAdvisor rating	4.2 or higher	4.2 or higher	4.2 or higher

6.4. RELIABILITY / TIMELINESS

KPI	How it's measured	2022-23	2023-24	2024-25
Cable Car Reliability	Percentage Reliability	> 99.0%	> 99.0%	> 99.0%

6.5. VISITATION

KPI	How it's measured	2022-23	2023-24	2024-25
Customer Trips	Tickets sold	624k	798k	936k
	Tactical collaborative campaigns/activations	4 per year	6 per year	6 per year

6.6. REVENUE

KPI	How it's measured	2022-23	2023-24	2024-25
Revenue	Fare Revenue	\$2.02 M	\$2.77 M	\$3.44 M

7. HOW WE OPERATE

WCCL is proud of our operational framework and what we deliver daily, no matter what issues we currently face.

7.1. People & Culture

Our people are at the centre of our business. We strive to create a positive and supportive environment enabling our people to thrive personally and professionally.

Our key initiatives for FY 2022/23 include:

- Ongoing korero to improve engagement and resilience
- A focus on diversity and inclusivity
- Succession planning and professional development opportunities

7.1.1. Diversity & Inclusion

The Cable Car strives to create a safe, diverse and inclusive workplace where all staff members can bring their whole selves to work every day. WCCL aims to ensure our people have access to opportunities and resources that allow them to grow and develop in a respectful and appreciative environment.

7.2. Systems

In FY 2021/22, WCCL migrated its digital operations from server-based to cloud-based. This move enabled us to add additional layers of security and facilitated working from home scenarios. WCCL also migrated its financial system from MYOB to Xero during the year.

In FY 2022/23, WCCL is deploying a Computerised Maintenance Management Systems (CMMS), which will centralise all our assets' technical and practical knowledge in one place. This will be an invaluable resource to ensure the Cable Car stays on top of maintenance and plans replacements in a timely and effective manner.

7.3. Asset Management

The Cable Car owns and maintains a range of infrastructure assets, with a broad range of complexity, age, and condition. Routine maintenance is completed in-house with more complex and specialist work outsourced to several trusted partners such as Doppelmayr NZ and ACME Engineering.

Our oldest assets are our three tunnels. Construction of these began in 1898, and recent investigations into their seismic performance gives us an excellent understanding of their condition and associated risks. In FY 2022/23, we will address the seismic performance of all the highest risks.

The three steel bridges were constructed in the 1930s. In FY 2022/23, we plan to conduct further seismic and structural assessments on all three bridges to improve our understanding of these assets.

Our steel-framed Cars date back to 1979 and, while in very good condition, require regular maintenance and attention. The motor, drive and control systems were replaced in 2016 and remain compliant with current European Standards. The equipment and systems are regularly maintained to the manufacturer's recommendations.

7.4. Risk Management

As with all our H&S responsibilities, the Board and WCCL officer acknowledges and understands its accountability. We have systems in place to ensure that WCCL meets the required monitoring, reviewing and reporting of H&S objectives.

7.5. Health, Safety & Wellbeing

Ongoing COVID effects mean staff face challenges and issues at work and at home and we continue to support and work with individuals to ensure their wellbeing is prioritised. WCCL is committed to the ongoing development and maintenance of an enduring and resilient approach to Health, Safety and Wellbeing that embeds a culture of zero harm within the company, adheres to legislative requirements and ensures that staff, contractors, and the public are not exposed to unnecessary risk or harm in their engagements with WCCL.

Our policy statement reflects this:

We are committed to creating a work environment that supports and grows our people and enables them to go home healthy and safe every day.

7.6. H&S framework

WCCL continues to proactively develop a culture of zero harm within the organisation. WCCL's H&S committee meets monthly to ensure risk identification / mitigation / controls are appropriate. At the governance level, H&S reporting is a standing item at all Board meetings, ensuring that Directors remain across current statistics and any developments arising.

In FY 2021/22, WCCL conducted a Worksafe, SAFE+ self-assessment to look at its H&S framework and worker engagement and identify opportunities for improvement.

In FY 2022/23, WCCL will look to an independent external audit to ensure its policies, practices, and procedures meet all statutory responsibilities and identify opportunities for improvement.

7.7. Waka Kotahi – Rail Safety Case

The Wellington Cable Car operates under a Rail Safety License as required by the Railways Act 2005. All licence holders are required to have appropriate safety systems which are audited by the regulator. WCCL continues to maintain its Rail Safety Case.

8. FINANCIAL INFORMATION

All forecasts revised and updated as at April 2022 to take into account current projected visitor numbers as per WCC feedback

Wellington Cable Car Limited

Statement of Comprehensive Income

For the years ending 30 June 2023, 2024 and 2025

	2022 Forecast \$000	2023 Quarter 1 \$000	2023 Quarter 2 \$000	2023 Quarter 3 \$000	2023 Quarter 4 \$000	2023 Total \$000	2024 Budget \$000	2025 Budget \$000
Revenue								
Fare Revenue	947	365	497	649	511	2,023	2,772	3,441
Ancillary revenue	123	- 1	- 1	- 1	- 1	3	- 3	3
Grants	1,309	-	686	-	205	891	523	47
Total revenue	2,379	364	1,182	649	716	2,911	3,292	3,485
Expenses								
Operational costs	749	188	204	212	189	793	832	874
Infrastructure costs	855	298	301	237	219	1,055	1,349	1,452
Professional costs	392	129	104	99	99	431	454	479
Support staff costs	651	165	157	156	155	633	656	680
Total expenses	2,647	781	765	704	661	2,911	3,292	3,485
Net Profit (Loss) before Depreciation	- 267	- 417	417	- 55	55	-	-	-
Depreciation	309	85	85	85	85	341	341	341
Net Profit (Loss) after Depreciation	- 576	- 502	331	- 140	30	341	- 341	341

Wellington Cable Car Limited
Statement of Financial Position
For the years ending 30 June 2023, 2024 and 2025

	2022 Forecast \$000	2023 Budget \$000	2024 Budget \$000	2025 Budget \$000
Assets				
Bank & Term Deposits	3,155	3,509	3,451	3,687
Accounts receivable	771	215	271	34
Inventory	290	290	290	290
Property, plant & equipment	6,754	6,613	6,272	5,930
Total assets	10,970	10,627	10,284	9,941
Liabilities				
Accounts payable & accruals	204	206	207	208
Employee benefit liabilities	150	147	144	141
Deferred Tax	737	737	737	737
Total expenses	1,091	1,090	1,088	1,087
Net Assets	9,878	9,537	9,196	8,855
Equity				
Current year earnings	- 576	- 341	- 341	- 341
Retained earnings	3,019	2,443	2,102	1,761
Ordinary shares	7,435	7,435	7,435	7,435
Total Equity	9,878	9,537	9,196	8,855

Wellington Cable Car Limited

Statement of Cash Flows

For the years ending 30 June 2023, 2024 and 2025

	2022	2023	2024	2025
	Forecast	Budget	Budget	Budget
	✓ \$000 ✓	✓ \$000 ✓	✓ \$000 ✓	✓ \$000 ✓
Operating activities				
Receipts from grants	1,693	1,442	467	285
Receipts from customers	947	2,023	2,772	3,441
Payments to suppliers & employees	- 2,693 -	- 2,907 -	- 3,294 -	- 3,488
Receipts from other operating activities	38 -	3 -	3 -	3
Net cash flows from operating activities	- 16	555 -	58	236
Investing activities				
Payment for property, plant & equipment	- 4 -	200	-	-
Net cash flows from investing activities	- 4 -	200	-	-
Net cash flows	- 20	355 -	58	236
Cash and cash equivalents				
Opening balance	3,174	3,155	3,509	3,451
Net change in cash for period	- 20	355 -	58	236
Closing balance	3,155	3,509	3,451	3,687





**Wellington Regional Stadium Trust
Statement of Trustees Intent
For the year ending 30 June 2023**

Registered Office: Sky Stadium
105 Waterloo Quay
Wellington

Chair: Rachel Taulelei

Chief Executive: Shane Harmon

The Wellington Regional Stadium Trust (the Trust) was established by the Wellington Regional Council (Stadium Empowering) Act 1996. The Settlers of the Trust are the Wellington City Council and the Greater Wellington Regional Council.

The Trust recognises the interest that the ratepayers of Wellington City Council and the Greater Wellington Regional Council have in the Trust and its activities and have agreed to be subject to the reporting requirements of both Councils and their monitoring procedures. The Trust is not a Council Controlled Organisation, for the purposes of the Local Government Act 2002.

May 2022



1. INTRODUCTION

The Trust approaches the 2023 financial year with optimism. The Stadium has endured considerable restrictions over three financial years because of the pandemic. Closure of borders and restrictions on mass gatherings saw a substantial drop in events held and attendances. All of this had an impact on most of the Stadium's revenue lines. The reopening of borders and the lifting of restrictions on gatherings will hopefully enable the Trust to return to some degree of normality in the year ahead.

Although some of the financial impacts of Covid-19 will still be around for the coming year, the Trust remains optimistic of a vibrant event calendar. The Trust has already secured a Rugby Test match, international cricket and three concerts for the period. Two rescheduled shows; SIX60 and Guns 'N Roses along with the major global artist; Ed Sheeran will ensure a record year for concerts. The return of the Wellington Phoenix for hopefully an uninterrupted season for the first time in four seasons, along with the exciting addition of two new women's home teams, the Wellington Phoenix Women and the Hurricanes Poua will ensure a vibrant events calendar.

On top of these events the Stadium has been selected as a Women's FIFA World Cup 2023 venue, a globally significant event for which the venue team is preparing for. This event will take place in the FY2024 year.

Throughout the pandemic the Trust committed to keeping the Stadium in event ready mode and is in a good position as events return. However, Covid-19 will remain an ongoing risk to the business. Although borders will reopen and crowd restrictions relaxed, subsequent waves or emergence of new variants could impact our forecasts. Reluctance among some of the public to attend events coupled with cost-of-living increase may also have an effect. The Trust also expects to deal with the same staffing challenges that the hospitality industry is experiencing.

Despite these challenges the Trust has continued work on major infrastructure projects to enhance the Stadium facility and experience, and to improve the resilience of the facility. In 2022/23 the Trust intends to continue to invest in the facility. Seismic strengthening work continues the Fran Wilde walk and the Trust is finalising its plans to provide additional resilience to the Stadium building, a project for which the settlers have allocated \$4.66m in total from their respective Long-Term Plans (LTPs).

For the next five years the Trust has identified capital work requirements for at least \$36 million. These works are necessary to keep the Stadium operating as a safe and efficiently operating facility. The requirement may be higher as costs are firmed up for seismic improvements. Commitment to this level of capex is beyond the means of the Stadium, and the Trust welcomes ongoing dialogue with settlers to discuss the longer-term operating model for the Trust, including a consideration of a longer-term investment plan to fund future capital works

The Trust continues to enjoy a collaborative and supportive relationship with the Greater Wellington Regional Council (GWRC) and Wellington City Council (WCC) as well as WellingtonNZ. We remain very grateful for the support received from our settlers over three very difficult years. Wellington is in a good position to emerge as a revitalised events capital of New Zealand and the Trust is very keen to play a strong role in this.

Matters raised in Letters of Expectation from both WCC and GWRC are addressed in this Statement of Intent.



STRATEGIC DIRECTION

a) CORE PURPOSE

The objectives of the Wellington Regional Stadium Trust as set out in the founding Trust Deed established by the Wellington City and Greater Wellington Regional Councils ('the Councils') are as follows:

- To own, operate and maintain the Stadium as a high-quality multi-purpose sporting and cultural venue.
- To provide high quality facilities to be used by rugby, cricket and other sports codes, musical, cultural and other users including sponsors, event and fixture organisers and promoters so as to attract to the Stadium high quality and popular events for the benefit of the public of the region; and
- To administer the Trust's assets on a prudent commercial basis so that the Stadium is a successful, financially autonomous community asset.

The Councils have also established general objectives for the Trust. These are that it should:

- Adopt a partnership approach in dealing with the Councils and their associated entities.
- Have a regional focus where this is appropriate.
- Appropriately acknowledge the contribution of Councils.
- Achieve maximum effectiveness and efficiency of, and concentrated focus on service delivery.
- Operate at better than breakeven after depreciation expense.

The Trust strives to meet all the general objectives of the Councils noting that the overriding requirement of the Trust Deed means that the Trust must generate sufficient profit to repay loans and finance capital expenditure. This has not been possible over the past three due to the challenges created by the pandemic.

b) OPERATING ENVIRONMENT INCLUDING COVID-19 ENVIRONMENT

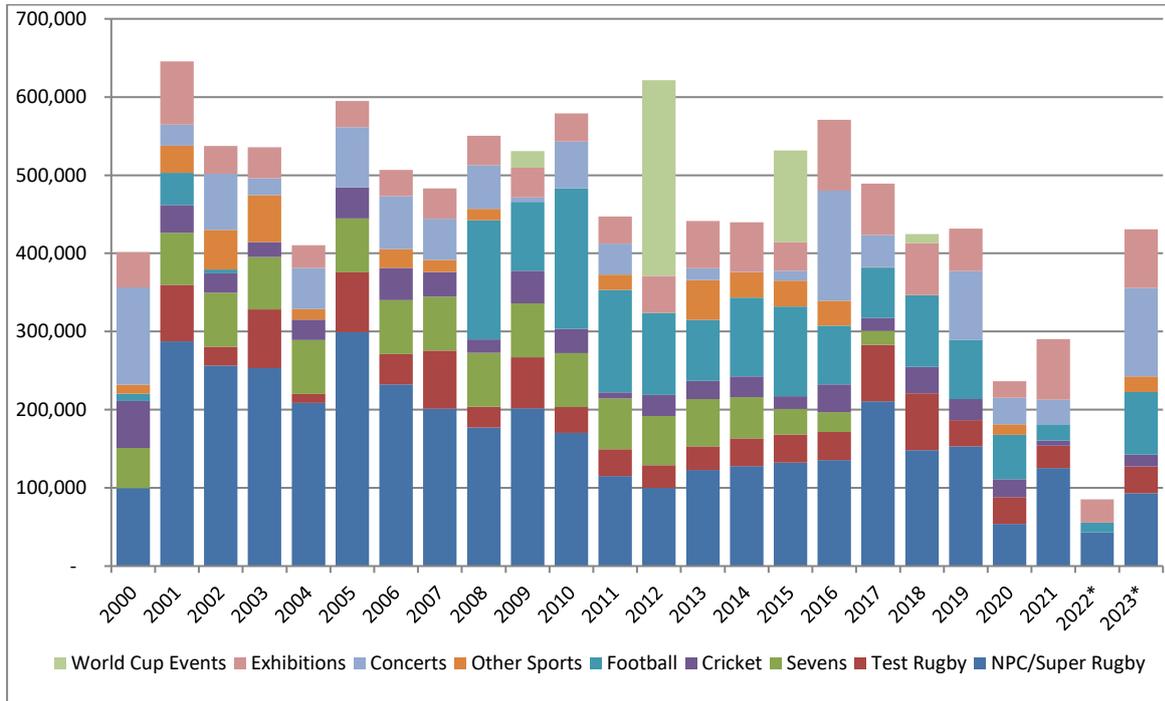
The Trust expects an improved operating environment following an extremely challenging three years. Attendances and event days for the 2020, 2021 and 2022 financial years are a fraction of the long-term average.

The events outlook for the year ahead is very positive post-pandemic. The success of concerts such as Eminem and Queen + Adam Lambert pre-pandemic had reaffirmed Wellington as one of the premium major concert cities in New Zealand. Promoter interest in hosting major events remains strong. The Trust works in close partnership with WellingtonNZ to secure events.

The Trust intends to continue scheduled capital expenditure including seismic upgrades, replacement of the tower lights and upgrades of changerooms to include gender neutral amenities.

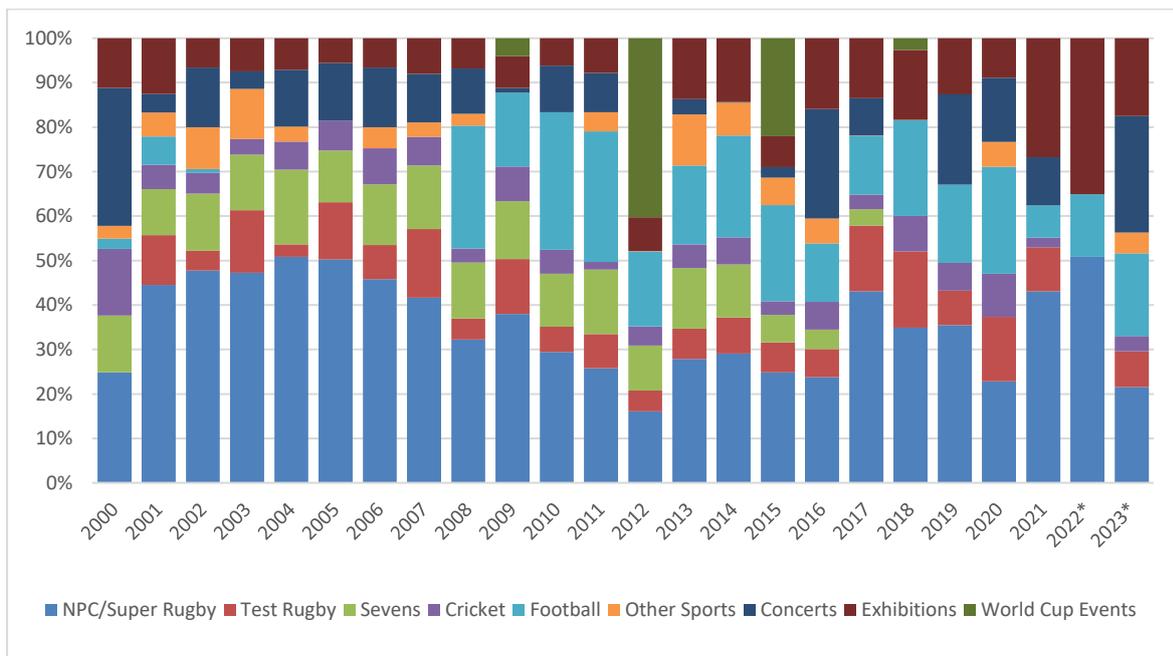
The following table highlights annual crowds by event type since the Stadium opened. The chart shows the stark reality of the impact of Covid-19 on the 2020, 2021 and 2022 financial years.

sky STADIUM



**2022/23 estimate*

The mix of events has changed significantly since the Stadium opened, and it is no longer reliant on any one code or event for its attendances. The following table highlights the diverse mix of attendances over the years represented as a percentage of the overall attendance in any given year.



**2022/23 estimate*



c) STRATEGIC FRAMEWORK

The Trust's objectives are:

1. To be viewed by the residents of the region and other stakeholders as a valued and essential asset.
2. To operate the best venue in New Zealand measured by:
 - Satisfaction of hirers
 - Patron satisfaction
 - Event calendar and diversity
 - Calibre of international events held
 - Environmental impact
 - Relationship with our neighbours
 - Adherence to world's best practice
3. To remain financially autonomous.
4. To provide a full and balanced event calendar to patrons.
5. To maintain and enhance the facility to the standard of international best practice.
6. To be a good employer and provide personal development opportunities to employees.
7. To provide and maintain a safe and healthy working environment for employees, visitors and all persons using the premises as a place of work.

The board undertakes a strategic planning day in March of each year to reassess priorities and strategic direction.

2. NATURE AND SCOPE OF ACTIVITIES

The nature and scope of the Trust's activities are dictated in the first instance by the Trust Deed, settled with both Councils.

To meet its obligations under its Trust Deed, the Trust identifies the key objectives of:

- Presenting a full and balanced event calendar
- Maintaining and enhancing the facility
- Achieving a level of profitability that finances continuing capital expenditure and meets debt reduction obligations.

The Board and management have taken a longer-term view of the Stadium's business.

In line with the obligations listed above under its Trust Deed, in 2018 the Trust has refreshed its strategic priorities centred on the following areas:



1. Deliver great customer experiences
2. Grow commercial revenues
3. Invest in and improve our facilities
4. Value our people, our community and our stakeholders
5. Operate a safe building
6. Operational excellence
7. Attract and deliver world class events
8. Sustainability

The Trust will be revisiting these priorities in the near future.

Matters raised in the joint Letter of Expectations and the Trust's plans to address them are set out below.

1. Enduring Expectations

The Trust reaffirms its support and commitment to the enduring expectations listed in the letter of expectations:

- No surprises – the Trust will keep settlers fully in the loop in relation to items of public interest or matters of significance.
- Legislative and Compliance – the Trust will maintain a high degree of awareness of legislation that is applicable to its activities and in particular on relevant Health and Safety legislation.
- Governance – the Trust will meet best practice governance standards. It commits to undertaking a performance review of the overall board, individual board members and the board chair as well as maintaining a skills matrix.
- Risk Management - the Trust has a robust risk management framework in place that is regularly reviewed by the Board.
- Covid-19 – the Trust has kept settlers abreast of the challenges created by the pandemic and will continue to do so.

2. Councils' explicit expectations of the Wellington Regional Stadium Trust

The Trust addresses the Councils' explicit expectations of the Wellington Regional Stadium Trust in relation to its Statement of Trustee Intent.

The Council is committed to supporting the FIFA Women's World Cup Australia & New Zealand 2023 when it comes to the Southern Hemisphere for the first time. In collaboration with WellingtonNZ and the Council, the Trust is expected to ensure that the stadium and the city is well prepared to deliver a world class experience for fans and teams for this event.

The Trust is delighted that the Stadium will have a major role in the tournament. Wellington has secured nine matches including seven pool games, a round of 16 fixture and a quarter final clash.

Planning for the tournament is well advanced, with meetings with organisers taking place on regular basis.



The Trust is making good progress on compliance matters and funding around matters such as lighting and gender neutral changerooms. Upgrades in these areas will provide a significant legacy for the Stadium and its hirers.

The Trust is working closely with WellingtonNZ and Wellington City Council on delivering this event and commits to keeping councils regularly updated on planning.

The Trust will finalise the design, budget and programme for the seismic strengthening works planned for the stadium that will be partially funded by both settlor councils through the 2021-31 LTP.

The Trust has completed designs for this work and is in the process of developing budgets and works programme. This is a significant project aimed specifically at strengthening the Stadium's floor on all levels as well as the building's diaphragm. Early indications from quantity surveyors are that costs will be above initial estimates due to changes to recommended design and construction cost increases.

Work will commence in FY2024 after the FIFA Women's World Cup.

The Trust will keep settlers abreast of this project and address funding as part of the longer-term capital requirements

In the context of a post-lockdown environment with relatively free domestic travel and international borders opening, the stadium will continue to deliver a strong programme of stadium-filling events that return economic benefit to the city and region.

Stadium-filling major events that deliver benefits to the city and region are a priority for the Trust.

The enquiry pipeline is very active. Securing major artists such as SIX60, Guns 'N Roses, and Ed Sheeran, the return of international rugby and cricket and hosting nine matches of the Women's FIFA World Cup 2023 at the start of the following financial year will meet this expectation.

The Trust is pursuing further enquiries on events not yet announced through to 2024.

Council is mindful of the financial burden that insurance places on the stadium's viability. The Trust should work collaboratively with its settlor councils to determine an optimal insurance structure for the stadium, which may consider alternative arrangements.

The Trust has insurance cover for the Stadium asset with a combined maximum policy limit of \$200m for material damage and business interruption. This is less than the building reinstatement value which was last assessed in September 2019 at \$302m and significantly less than a more modern roofed stadium of similar capacity. The Trust is required to cover the first \$25 million of any earthquake claim.

The Trust commits to exploring further options with settlers well in advance of the next renewal as the current arrangements represent poor value for the Trust and provides cover for only a small part of a modern stadium rebuild.



The Trust will work closely with Council to support the zero-carbon and zero-waste aspirations of the city as the implementation of Te Atakura: First to Zero gathers momentum. The Trust will continue to contribute to the region meeting its carbon neutrality goals.

The Trust is committed to developing ways to reduce, recover, recycle, or re-use waste in all aspects of our business, including considering and integrating environmental factors in our decision-making process.

This has been a big focus for the Trust in recent times. The Trust has recently completed a Carbon Footprint assessment for the 2021 financial year. The Trust commits to working with both councils with the aim of becoming a carbon neutral venue.

The Trust is pleased to become eligible for Greater Wellington Regional Council's Low Carbon Acceleration Fund and will consider initiatives over the year that could be eligible for this funding.

The Trust will continue its work to further reduce waste. The Trust is part of a Wellington Reusable Hub working group which aims to develop a collective solution for single uses plastic.

The settlers are looking to the Trust to lead a conversation around the longer-term future for the trust, in terms of future planning, potential longer term stadium options and the need to examine funding mechanisms at a regional level.

Continued investment in the Stadium is vital to ensure events are not lost to new facilities.

The Trust has reviewed and updated its five-year capex plan which shows capital work requirements of at least \$36m. These works are necessary to keep the Stadium operating as a safe and efficiently operating facility. There may be further increases to these costs as the seismic work requirements are further refined and due to the impacts of supply chain issues and construction cost inflation. This commitment to this level of capex is beyond the means of the Trust.

The Trust will lead a conversation and engage with settlers on funding options to support an appropriate programme of works in coming years.

The Trust will continue to work with GWRC over opportunities to improve connectivity with the public transport network, as well as GWRC's efforts to strengthen the public transport network for events at the Stadium

The Stadium enjoys high levels of patronage from customers who use public transport. Public transport is vital for the smooth running of events.

The Trust supports enhanced public transport measures and programmes to further encourage adoption and committed to being an active and engaged partner with settlers on this matter.

3. Alignment with the councils' strategic direction

The Trust commits to maintaining an ongoing alignment to the Councils' strategic direction.

Specific areas not already addressed in Councils' explicit expectations of the Trust are covered below.



Wellington City Council 2021-31 Long-term Plan (LTP) four wellbeing outcomes

- **Environmental:** A sustainable, climate friendly eco capital
A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is mitigating and adapting to climate change – for now and future generations.

The Trust supports this outcome by its efforts to reduce waste and its carbon footprint.

- **Social:** A people friendly, compact, safe and accessible capital city
An inclusive, liveable, and resilient city where people and communities can learn, are connected, well housed, safe and healthy.

The Stadium is accessible and inclusive. As events return the Trust is updating its “house rules” in an effort to promote diversity and inclusivity. In particular, the Trust will consider specific rainbow inclusivity initiatives in the coming year engaging with members of the rainbow communities from our staff, contractors and hirers alongside Takatāpuhi Rainbow Advisory Group.

The Trust fully supports the Accessible Wellington action plan. The Stadium has a Gold rating for accessibility as awarded by Be.Lab (formerly known as Be.Accessible). We intend to conduct community stakeholder consultation in the next year, working alongside Be.Lab with the aim of applying for Platinum status. Community consultations were supposed to take place this year but were unable to occur due to Covid-19.

- **Cultural:** An innovative, inclusive and creative city
Wellington is a vibrant, creative city with the energy and opportunity to connect, collaborate, explore identities, and openly express, preserve and enjoy arts, culture and heritage.

The Trust supports Aho Tini 2030 – Arts, Culture and Creativity Strategy by providing a wide range of events that appeal to many Wellingtonians, working closely with WellingtonNZ and council partners.

- **Economic:** A dynamic and sustainable economy
The city is attracting and developing creative talent to enterprises across the city, creating jobs through innovation and growth while working towards an environmentally sustainable future.

Wellington is in a good position to emerge as a revitalised events capital of New Zealand and the Trust is very keen to play a strong role in this. The Trust’s continued focus lies particularly on those events that will fill the Stadium and generate economic return for the region. The event calendar is strong, and this will provide an economic boost as well as making Wellington an attractive city and region to live in.

Wellington Regional Council’s 2021-31 LTP has four overarching strategic priorities

- **Improving outcomes for mana whenua and Māori (also addressing WCC’s Kia eke panuku Māori Strategic Direction).** *We are strengthening our commitment to working closely with mana whenua to achieve the best outcomes for Māori and the region, across everything we do.*



With the rebrand to Sky Stadium in 2020, the Trust took the opportunity to replace all wayfinding and introduce bilingual signage in English and Te Reo Māori throughout the venue. We also have public loudspeaker messaging on entry in both Te Reo and English. The initiative was a collaboration between WellingtonNZ, Sky Stadium and Te Taura Whiri, the Māori Language Commission.

The next stage of this project will see many of the internal spaces renamed. Where appropriate, these will be bilingual. The Stadium will engage with mana whenua to further enrich its te reo naming and signage activity.

The Trust is early in this journey and in the year ahead commits to work with councils and mana whenua toward a stronger cultural engagement and wider engagement strategy.

- **Responding to the climate emergency.** *Urgent action is needed now, and we have a big, bold target to be carbon neutral by 2030 and climate positive by 2035.*
- **Aligning with Government direction.** *The Government is setting some big environmental goals. Some are still evolving, and several align with what we are doing already. We plan to be in the best position to respond well.*

The Trust's responses are covered earlier in the statement. The Trust is very grateful that it can now be considered as an applicant to GWRC's Low Carbon Acceleration Fund.

- **Adapting and responding to the impacts of Covid-19.** *We plan to lead the way in supporting our region through the Covid-19 recovery, transitioning along the way to a sustainable, low carbon economy.*

With the support of both councils, the Stadium is in a good position to emerge strongly from the impacts of the pandemic.

Long term strategic asset management

The Trust maintains a robust asset management programme that prioritises maintenance based on a 5-year asset condition report compiled by WSP on behalf of the Trust.

Maintaining a safe and healthy working environment

The Trust is committed to providing and maintaining a safe and healthy working environment for its employees, visitors, and all persons using the premises as a place of work as well as event attendees.

To ensure a safe and healthy work environment, the Trust maintains a Health and Safety Management System. In addition, the Trust has an established Health and Safety Committee which comprises three Trustees that meets on a regular basis to review and measure crucial areas of health and safety.



The Trust has developed a detailed list of KPI measures which are reported to the Board Health and Safety Committee on a quarterly basis. In our six-monthly reporting to you we will report on injury rates and contractor compliance in the relevant six-month period

Operating Profitability

The Trust Deed requires the Trust to be financially autonomous. This requires the generation of sufficient profits to meet loan repayments and provide funds for the capital replacement and development programmes that are necessary to enable the Trust to meet its obligation to maintain the building to the standard of international best practice.

Financial autonomy is no longer achievable for the Trust given the Stadium is now an ageing facility, the additional seismic requirements, the significant increase in insurance premiums, and the impact of the Covid-19 pandemic over the last two years.

Excluding insurance and capex, the Trust still expects to generate positive operating cash flows once the event calendar returns to a more normal level. It can cover most insurance and regular maintenance but not substantial capex items, such as seismic resilience requirements.

Therefore, continuing to fully invest in the Stadium so that that it operates to best practice as an operationally efficient, safe, and welcoming venue for patrons and hirers, is beyond the means of the Trust alone.

The Trust appreciates the financial support it has received from the settlors, and as noted elsewhere in this document will engage with the settlors on the future operating model of the Trust including funding options for ongoing capex

These projections have been prepared on a business-as-usual basis, with 40 plus event days assumed per year. But even with a regular event calendar assumed, operating surpluses are insufficient to meet capex requirements.

Over the five-year period, the key inflows and outflows are as follows:

- Net operating cashflows \$12.5m (positive, before insurance)
- Cumulative insurance premia absorb \$9.0m
- Capex of \$35.5m
- Confirmed Settlor contribution to seismic capex \$4.6m
- Other confirmed capex funding of \$3.1m

The additional funding required to meet the planned capex is at least \$22.4m. For the purposes of the projections the funding gap have been shown as unconfirmed grants. If an alternative approach to insurance could be found that removed that cost from the Trust, this would allow more of the operating surplus to be reinvested into the capex programme.

Borrowing consists of the \$4.2m settlor loans (provided in 2020 after the first Covid-19 lockdown) and \$2.5m of commercial borrowing. For any subsequent increase in commercial borrowing the Trust would need to satisfy itself on its ability to service and repay such debt which would be assessed at the time of any such drawdown.



These projections have total capex of \$36m across 5 years. This is an increase of \$10.6m from last year. The area that has increased the most significantly is the allowance for the seismic works which has gone from \$7m to \$15m following the preparation of a construction cost estimate by a quantity surveyor. This estimate will require further review once co-ordinated design documentation is complete.

The included capex is what is necessary to keep the Stadium operating as a safe and effective venue. There is little in there that can be considered to significantly enhance the patron experience. A lack of such enhancements could make the Stadium a less attractive venue in the future, affecting its ability to attract event bookings.

With the Stadium approaching 25 years of age, much of the plant equipment and fixtures are from the original build and replacement is required due to age of equipment and obsolescence of parts for repairs. Many Stadiums in Australia and New Zealand built around the same time have received or are earmarked for substantial upgrades or in some cases replacement.

In addition to the \$4.6 million of grant funding confirmed from the settlors towards the seismic works, other external funding totalling \$3.1 million has been confirmed as contributions towards the conversion of the tower lights to LED light fittings, and the conversion of some of the changing rooms to a gender-neutral fitout. Both of these projects will be completed in time for the FIFA Women's World Cup.

PROJECTED EVENTS SCHEDULE

12 Months ending 30 June

CONFIRMED	2023	2024	2025
Rugby Union	12		
Cricket	1		
Football		9	
Concerts/Other Events	4		
Exhibition Days	15		
Total Confirmed	32	9	0
UNCONFIRMED			
Rugby		11	12
Cricket		2	2
Football	10	10	10
Other Sporting Events	1	1	1
Concerts/Other Events	0	2	2
Exhibition Days		13	13
Total Unconfirmed	11	39	40
Community Events	3	3	3
Total Events	46	51	43

Days reserved for semi's & finals

11

11

11



**SUMMARY STATEMENT OF FINANCIAL PERFORMANCE
FOR THE THREE YEARS ENDING 30 JUNE**

	2023	2024	2025
	\$m	\$m	\$m
Revenue			
Events	5.14	5.94	4.56
Members Boxes & Sponsorship	3.87	3.86	3.93
Other	4.50	2.78	3.00
Total Revenue	13.51	12.58	11.49
<i>Less:</i>			
Event Operating Costs	3.17	2.27	2.67
Other Operating Costs	9.67	8.84	7.85
Interest	0.25	0.34	0.34
Total Operating Expenses	13.09	11.45	10.86
Operating Surplus before depreciation	0.42	1.13	0.63
<i>Less:</i>			
Depreciation	3.62	3.94	4.31
Net Surplus/(Deficit)	(3.20)	(2.81)	(3.68)
<i>Plus:</i>			
<i>Funding for capital expenditure programme</i>			
Confirmed grants	3.10	1.66	1.50
Funding to be secured (assumed as grants)	5.66	7.23	7.35
Total Surplus/(Deficit)	5.56	6.08	5.17

Net operating cash flows	(0.32)	0.85	0.48
Surplus cash at the end of each year	1.00	1.00	1.00
Loans at year end	6.70	6.70	6.70
Net debt (Loan less cash)	5.70	5.70	5.70



**SUMMARY STATEMENT OF CASHFLOWS
FOR THE THREE YEARS ENDING 30 JUNE**

	2023	2024	2025
	\$m	\$m	\$m
Cashflows provided from operating activities	12.85	12.31	11.34
Cashflows applied to operating activities	(13.17)	(11.45)	(10.86)
Net cashflows from operating activities	(0.32)	0.85	0.48
Funding for capital expenditure programme			
Confirmed grants	3.10	1.66	1.50
To be secured	5.66	7.23	7.35
Cashflows applied to investing activities	(10.30)	(9.75)	(9.33)
Net cashflows from investing activities	(1.54)	(0.86)	(0.48)
Cashflows provided from financing activities	2.00		
Net cashflows from financing activities	2.00	0.00	0.00
Net increase (decrease) in cash	0.15	(0.00)	(0.00)
Opening balance brought forward	0.85	1.00	1.00
Cash at year end	1.00	1.00	1.00



**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE**

	2023	2024	2025	2026	2027
	\$m	\$m	\$m	\$m	\$m
Trust Funds					
Retained Surpluses	50.36	56.44	61.61	62.39	59.14
Limited Recourse Loans	40.39	40.39	40.39	40.39	40.39
	90.75	96.83	102.00	102.78	99.53
Non Current liabilities					
Loan - bank	2.50	2.50	2.50	2.50	2.50
Loan - Councils	4.20	4.20	4.20	4.20	4.20
	6.70	6.70	6.70	6.70	6.70
Current Liabilities					
Revenue in Advance	1.93	1.65	1.50	1.44	1.44
Payables	0.53	0.53	0.53	0.53	0.53
	2.46	2.18	2.02	1.97	1.97
Total Funding	99.91	105.71	110.72	111.45	108.20
Represented by:					
Property Plant & Equipment	97.42	103.22	108.24	108.94	105.72
Current Assets	1.49	1.49	1.49	1.49	1.49
Cash	1.00	1.00	1.00	1.03	1.00
Total Assets	99.91	105.71	110.73	111.46	108.20

PERFORMANCE MEASURES

Non-Financial Performance Measures

Measure	How Measured
<ul style="list-style-type: none"> Deliver a strong Rugby international test programme for 2022 	<ul style="list-style-type: none"> Key stakeholders are satisfied with management of the test operation 40% out of region visitors
<ul style="list-style-type: none"> Deliver more large-scale non-sporting events 	<ul style="list-style-type: none"> Secure at least three concerts in 2022/23 40% out of region visitors
<ul style="list-style-type: none"> Continued investment in stadium infrastructure 	<ul style="list-style-type: none"> FIFA upgrades for lights and change rooms completed Resilience plans finalised and shared with council partners.
<ul style="list-style-type: none"> Deliver a full event calendar 	<ul style="list-style-type: none"> Securing 45-50 event days per year. (Depending on Covid-19 restrictions).
<ul style="list-style-type: none"> Host unique events that deliver economic benefit to the region 	<ul style="list-style-type: none"> Maintaining economic benefit to the Region at an average of \$40 million per year Working with promoters to deliver special events to Wellington
<ul style="list-style-type: none"> Sustainability 	<ul style="list-style-type: none"> Reduce single use plastic Develop plan to achieve carbon neutral status
<ul style="list-style-type: none"> Mana whenua 	<ul style="list-style-type: none"> Develop a cultural engagement and wider engagement strategy
<ul style="list-style-type: none"> Health and Safety Reported Injury rates <p>Contractors and hirers</p>	<ul style="list-style-type: none"> Trust Worker reported injury rate of 2 or less per year. Contractor Worker Lost Time Injury rate of 2 or less in a year. Hirer (And Hirer Contractor) Worker Lost Time Injury rate of 2 or less in a year. A reported patron injury rate of less than 0.01% of the total number of patrons attending the venue (events and functions). 100% of contractors working at the Stadium have 'approved' status before any work is commenced, and upon each annual review. An agreed H&S plan is in place with 100% of Stadium hirers prior to any work on site commencing.



Financial Performance Measures

The key performance indicators agreed with the Wellington City Council and Greater Wellington Regional Council are:

- Revenue – total, and event
- Net surplus (deficit)
- Net cash flow
- Liquidity ratio
- Bank borrowing to total assets
- Capital expenditure

We have reviewed these indicators and believe these are appropriate to the purpose of the Council's monitoring the Trust performance. They are reported on by the Trustees in their six-monthly reports.



3. BOARD APPROACH TO GOVERNANCE

Role of the Board

The Board of Trustees is responsible for the proper direction and control of the Trust's activities. This responsibility includes such areas of stewardship as the identification and control of the Trust's business risks, the integrity of management information systems and reporting to stakeholders. While the Board acknowledges that it is responsible for the overall control framework of the Trust, it recognises that no cost-effective internal control system will prevent all errors and irregularities. The system is based on written procedures, policies and guidelines, and an organisational structure that provides an appropriate division of responsibility, sound risk management and the careful selection and training of qualified personnel.

Board Operation

The Board has two Standing Committees that focus on specific areas of the Board's responsibilities. These Committees are the Audit & Finance Committee, and Health & Safety Board Sub-Committee.

The Board meets eight times per year. The Audit & Finance Committee meets when required and at least three times per year. The Health & Safety Committee meets quarterly and prior to significant events such as concerts.

Board Performance

The policy of the Board has been that the Chair conducts an interview with each Board member prior to the expiry of their term. Each new Board member undertakes an induction program to familiarise themselves with the Stadium, its operation and Board issues. Given the experience of the current Board it has been deemed that a Board development program is not necessary. If there are any Board performance issues, the Chair will bring them to the attention of the Mayor of WCC and the Chair of GWRC.

At the first meeting of the new financial year, the Chair of the Audit & Finance Committee coordinates a review of the Chair's performance.

The Chair will provide the settlors with a board skills matrix annually. The Chair will provide early notification of upcoming board vacancies and work with settlors to ensure that at least three potential candidates are presented for each vacancy that occurs.

A Board performance review will be provided by 30 September 2022.

Board Membership

The Trust Deed states that there shall be not less than five, nor more than eight Trustees.

The Trustees are appointed jointly by the Settlers (Wellington City Council and Greater Wellington Regional Council).

The Wellington City Council and the Greater Wellington Regional Council can each independently appoint one of their elected Councillors as a Trustee.



The current Trustees are:

Name	Appointed until:
Steven Fyfe	30 June 2022
Sean Rush	formal declaration of results of WCC 2022 elections
Glenda Hughes	formal declaration of results of GWRC 2022 elections
Nicola Crauford	31 December 2022
Rachel Taulelei	30 June 2023
Tracey Bridges	31 December 2023
Steve Tew	31 December 2023
Phillippa Harford	31 December 2024

4. ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

Health & Safety

The Trust has well developed health & safety policies which were reviewed by an external consultant and are regularly updated.

Staff who have influence over Health and Safety matters are required to acquire and keep up to date with Health and Safety matters including attendance at relevant course and conferences.

All staff receive regular training in respect of health & safety procedures.

A Health & Safety booklet has been produced which includes Stadium policies, the roles for staff and contractors, incidents and accident investigation, general site safety, emergency procedures and induction.

There are three Committees with a health and safety focus:

- Emergency Control Organisation/Emergency Planning Committee (meets ahead of each major event);
- Health and Safety Committee which includes key the Trust staff as well as contractors and tenant organisations (meets monthly);
- Board Health and Safety Committee (meets at least quarterly with additional meetings prior to major events).

All contractors coming on-site are required to:

- Complete a health & safety agreement
- Complete a health & safety induction plan
- Provide a contractors safety plan
- Operate safely and report any hazards, near misses and injuries.



RISK MANAGEMENT

Earthquakes

Prior to construction (July 1995), the Trust commissioned a full geo-technical report on the site. The ground was improved with vibro-replacement producing gravel columns at spacing of two to three metres to mitigate the effect of earthquakes.

The Trust has used the learnings from the recent earthquakes to strengthen its crowd control and evacuation procedures.

The Trust has conducted a study to enable the Stadium to better understand its current percentage of New Building Standard (% NBS), the interaction between the reclaimed land and the building structure, the differential lateral spread expected and as well as a building seismic assessment. While no significant issues emerged, we will be implementing some resilience works that will enhance the structures.

Insurance

The Stadium insurance programme is managed by Marsh. The Trust operates a maximum first loss policy that provides cover for fire, earthquake and other perils.

The Trust has insurance cover for the Stadium asset with a combined maximum policy limits of \$200m for material damage and business interruption. This is less than the building reinstatement value which was last assessed in September 2019 at \$302m. The Trust is required to cover the first \$25 million of any earthquake claim.

Insurance premiums have become increasingly unaffordable for the Trust in recent years. Recently the Trust explored options to mitigate the increasing premium and since the December 2020 renewal has made the following key changes (to the Material Damage and Business Interruption policy) from prior years:

- \$200m of insurance cover
- \$25m deductible for natural disaster
- Aggregate limit for fire cover of \$100M (previously full cover from fire up to insured limit of \$200M).

The Trust has kept Settlers informed on all decisions related to insurance and welcomes discussion with settlers to explore alternative approaches to insurance for the Stadium

Business Continuity Plan

The Trust has a Business Continuity Plan. The Trust has ongoing interactive training sessions with all staff to reinforce the content and requirements of the plan.

Communication and Access to Information

The Trust enjoys a positive and open relationship with both of its Settlers, and both settlers have representation on the Board of Trustees. The Trustees confirm they intend to continue to operate on a “no surprises” basis with communication of any significant event likely to impact on either party made as soon as possible. This has worked well in the past.



5. ADDITIONAL INFORMATION

Reporting

The Trustees will present a six-monthly report to both Councils, which will include a written report on agreed key performance indicators and financial statements for the period. The Trust will provide a formal briefing to both Councils, twice a year, on activities to date and review the outlook.

Audited financial statements will be available on completion of the annual audit.

The Trustees will inform the Councils of any significant expected obligations or contingent liabilities to third parties.

Major Transactions

There are no major transactions likely to occur in the planning period that are not identified in the Business Plan.

Any particularly contentious transactions will be brought to attention of the Council at the earliest opportunity.

Accounting Policies

General accounting policies of the Trust are set out in the Statement of Significant Accounting Policies. These policies are consistent with the policies applied in the previous year.

OTHER ITEMS TO BE INCLUDED IN THE STATEMENT OF INTENT

Ratios

The ratio of Trust Funds to Total Assets is expected to be:

30 June 2023	50%
30 June 2024	53%
30 June 2025	56%

The ratio of total Trust Assets to Trust Liabilities is expected to be:

30 June 2023	202%
30 June 2024	215%
30 June 2025	225%

Trust Funds are defined as the residual interest in the assets of the Trust after the deduction of its liabilities.

Assets are defined as service potential or future economic benefits controlled by the Trust as a result of past transactions or other past events.

Liabilities are defined as future sacrifices of service potential or of future economic benefits that the Trust is presently obliged to make to other entities as a result of past transactions or other past events.

**Accounting Policies**

The Statement of Significant Accounting Policies is attached in Appendix 1

Distributions to Settlers

Section 5 of the Trust Deed sets out the powers of the Trustees regarding the income of the Trust.

The Trust is required to pay surplus funds to the Wellington City Council and Wellington Regional Council in reduction of their limited recourse loans after meeting costs, liabilities and debt reductions and after allowing for the appropriate capital expenditure and transfers to reserves.

The Trust does not expect to have surplus funds available for repayment in the years covered by this Statement of Intent.

No other distributions to Settlers are intended to be made.

Investments in other organisations

The Trustees currently have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

Compensation from local authority

There are no activities for which the Trust seeks compensation from any local authority.

Trust's estimate of the commercial value of settlor's investment in the Trust

Not applicable

Other matters as set out in the Funding Deed***Significant Third-Party Obligations***

There are no significant third-party obligations other than those disclosed in the Financial Statements.

Relevant Legislation

The Trustees confirm that the Trust will comply with all relevant legislation affecting the conduct of this business.

Rachel Taulelei

Chair

FOR THE TRUSTEES

WELLINGTON REGIONAL STADIUM TRUST



APPENDIX 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity and Period

Wellington Regional Stadium Trust Incorporated (the Trust) is a charitable trust established by the Wellington City Council ('WCC') and Greater Wellington Regional Council ('GWRC'). The Trust is domiciled in New Zealand.

The Trust is responsible for the planning, development, construction, ownership, operation and maintenance of the Sky Stadium, Wellington, as a multi-purpose sporting and cultural venue.

The Trust was incorporated under the Charitable Trust Act 1957. The Trust is also a charitable entity under the Charities Act 2005, registration CC10754.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Trust Deed which requires compliance with generally accepted accounting practice in New Zealand.

As the primary purpose of the Trust is to provide a community and social benefit, it is a public benefit entity for financial reporting purposes.

The financial statements of the Trust comply with Public Benefit Entity (PBE) standards.

The financial statements have been prepared in accordance with Tier 2 PBE Standards. The Trust meets the requirements for Tier 2 reporting as it does not have public accountability and is not large (as defined by XRB A1).

The financial statements have been prepared on an historical cost basis, except for interest rate swaps.

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (000) unless otherwise stated.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliability measured. It is recognised at the fair value of the consideration received. Specific

recognition criteria apply to the following income streams as noted below.

Revenue from Exchange transactions

Corporate Box, Memberships & Sponsorship Revenues
Licenses for Corporate boxes are issued for terms of between four and six years. Signage and sponsorship properties are sold for a range of terms of between one and six years. The related license fees/revenues are paid annually and initially recorded as Revenue in Advance with the revenue recognised on a straight-line basis throughout the term.

Stadium memberships have been sold for terms ranging between two and five years. Payment may be made upfront or in a series of instalments. The payments received are recorded as Revenue in Advance and recognised on a straight-line basis over the term of the membership.

Rental income

Rents are recognised on a straight-line basis over the term of the lease.

Revenue from Non-Exchange transactions

Grant income

Grants are recognised as income once the conditions of the grant are met.

Expenses

Expenses are recognised on an accrual basis when the goods or services have been received.

Interest

Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Taxation

As a Charitable Trust, the Trust meets requirements for exemption from income tax and accordingly no provision for income tax is recorded in the financial statements.

All items in the financial statements are exclusive of GST, except for receivables and payables, which are stated as GST inclusive.

Financial Instruments

The Trust classifies its financial assets and financial liabilities according to the purpose for which they were acquired. The Trust determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Non-derivative Financial Instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. After initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Trust's contractual rights to the cash flows from the financial assets expire or if the Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets in the ordinary course of business are accounted for at trade date. Financial liabilities are derecognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

Financial Assets

Cash and cash equivalents comprise cash balances and call deposits with up to three months' maturity. These are recorded at their nominal value.

Trade and other receivables are stated at their cost less impairment losses.

Financial Liabilities

Financial liabilities comprise trade and other payables and borrowings and are all classified as other financial liabilities. Financial liabilities with a duration of 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 Revenue & Expense 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.

Derivative Financial Instruments

Derivative financial instruments are recognised at fair value as either assets or liabilities. The Trust does not

hold any derivatives that qualify for hedge accounting. Derivatives that do not qualify for hedge accounting are classified as held for trading financial instruments with fair value gains or losses recognised in the Statement of Comprehensive Revenue & Expense. Fair value is determined based on quoted market prices.

Employee Entitlements

Employee entitlements that the Trust expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These benefits are principally annual leave earned but not yet taken at balance date, and bonus payments.

No provision for sick leave is accrued, as past experience indicates that compensated absences in the current year are not expected to be greater than sick leave entitlements earned in the coming year.

Other Liabilities & 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.

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 expensed in the Statement of Comprehensive Revenue & Expense in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Comprehensive Revenue & Expense on a straight-line basis over the term of the lease.

Property, Plant and Equipment

Recognition

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. Borrowing costs are not 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. Losses resulting from impairment are reported in the Statement of Comprehensive Revenue & Expense.

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 Revenue & Expense in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, some aspects of the pitch and 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 major classes of property, plant and equipment are as follows:

Land	indefinite
Pitch	10 years to indefinite
Buildings	8 to 70 years
Replay screen & production equipment	3 to 25 years
Fitout	5 to 50 years
Fittings	3 to 20 years
Plant & machinery & equipment	2 to 70 years

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.

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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the Trust, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the statement of comprehensive revenue and expense, and carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by regular physical inspection of assets, including periodic independent review, and a planned preventative maintenance and asset replacement programme.

Statement of Cash Flows

The statement of cash flows has been prepared using the direct approach. Operating activities include cash received from all income sources of the Trust, record cash payments made for the supply of goods and services and include cash flows from other activities that are neither investing nor financing activities. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to the funding structure of the Trust.

Changes in Accounting Policies

There have been no changes in accounting policies.

Draft Statement of Intent 2022-2023 Karori Sanctuary Trust

Presented to the Environment Committee
pursuant to Schedule 8 of the Local Government Act (2002)

Contents

Foreword	3
1.Our shared vision for Wellington	4
1.1. Our way. Ngā mātāpono.....	5
1.2. Our places, projects and partners	5
2.The Strategic Partnership between the Karori Sanctuary Trust and Wellington City Council	6
3.The nature and scope of our activities in 2022/23 and beyond	7
3.1. A place that treasures – He wāhi taonga.....	7
3.2. A place that engages – he wāhi huihuinga	10
3.3. A place for learning – he wāhi mātauranga.....	11
3.4. A place that empowers – he wāhi whakamana.....	13
4.Performance Measurements	15
4.1. KPI Scorecard 2022/23	15
4.2. Non-financial Performance Measures.....	16
4.3. Financial Performance Measures	16
4.4. Conservation Measures.....	17
4.5. Conservation Activities	18
5.The Karori Sanctuary Trust Board’s Approach to Governance	19
5.1. The Trust Deed	19
5.2. Relationship with Wellington City Council	19
5.3. Board Membership.....	20
5.4. Board Performance.....	21
5.5. Board Skills Matrix	21
5.6. Annual General Meeting.....	21
6.Organisational Health, Capability and Risk Assessment	22
6.1. Organisational Health and Capability	22
6.2. Executive Team.....	22
6.3. Environmental Practices.....	22
7.Health and Safety	22
8.Asset Management Plan	23
9.Risk Management	23
10.Additional Information	30
10.1. Response to other specific letter of expectation matters (if applicable).....	30
10.2. Ratio of Shareholders’ Funds to Total Assets	30
10.3. Estimate of Amount Intended for Distribution	30
10.4. Acquisition Procedures.....	30
10.5. Activities for which the Board seeks Compensation from a Local Authority	30
10.6. Estimate of Commercial Value of Shareholders’ Investment.....	30
11.Appendices	31
11.1. Appendix A: Accounting Policies	31
11.2. Appendix B: Zealandia Budget for 2022/23.....	34

Foreword

This Statement of Intent (SOI) outlines the intentions and key performance measures for the Karori Sanctuary Trust (trading as Zealandia) for the next three years. This SOI responds to the Wellington City Council's Statement of Expectations for 2022-2025.

Tēna koutou

This coming year offers an opportunity for Zealandia to redefine its future in a time when tourism recovery is in its early stages. Over the last six years we have built a strong working capital, which have sustained us. We also have strong and growing community support and continue to generate significant value and impact for Wellington, Aotearoa New Zealand and beyond. We do this through our conservation, learning and engagement programmes, which are supported by a significant and growing research programme.

We have based our planning for 2022/23 reflecting a gradual rebuilding of international tourism. We have also focused our attention on creating value for our city both within Zealandia Te Māra a Tāne (our sanctuary valley) and beyond, and continuing to grow our supporting membership base. We will be seeking opportunities to develop novel income streams which fit with our long-term strategy, and which will enable us to meet our expectations.

Our 2020/21 Annual Report highlights our alignment with Wellington City Council's Long-Term Plan and demonstrates the significant outcomes we achieve for the environment, as well as the social, cultural, and economic dimensions of our city. Our partnerships with mana whenua are growing through key projects such as Sanctuary to Sea Kia Mouriora te Kaiwharawhara. Zealandia, through its transformation of Wellington's biodiversity, continues to provide our city with a key point of difference—it is one of the few, perhaps the only, capital city in the world where bird biodiversity is on the rise.

Zealandia's partnership with Wellington City Council (Council) remains pivotal to the organisation, and this SOI outlines our plans for how the organisation will continue to add value to Wellington and meet Council's goals as set out in Council's Statement of Expectations.

Our 20-year strategy document, *Living with Nature: Tiaki Taiao, Tiaki Taonga – our strategy for 2016-2035*, remains the key touch-stone document for all this work. Our sanctuary has a 500-year vision, and so much of that outlined in this SOI is a continuation, or further development, of our programmes and projects. Over a 500-hundred-year period we can expect major changes (for example, in the climate) and thus our programs will adapt and change as needed.

The following sections of this SOI provide a detailed view of our plan for 2022/23. They address all the specific areas highlighted in the letter of expectations and, overall, describe how we will continue to make a significant contribution to our city and the vision for Wellington.

Phillip Meyer
Chairman, Karori Sanctuary Trust

Dr Danielle Shanahan
Chief Executive, Karori Sanctuary Trust

1. Our shared vision for Wellington

Zealandia’s purpose is to connect people with our unique natural heritage and inspire actions that transform how people live with nature in Wellington and beyond.

We have, and are, radically changing the way people live with nature.

The foundation of our impact is the transformation of biodiversity within Wellington. In just over 20 years, populations of species such as tūi have skyrocketed following the establishment of Te Māra a Tāne, the 225 ha Zealandia sanctuary valley. Now, our tamariki/children can experience an urban dawn chorus of manu/birds unlike that heard in any other city across Aotearoa, and indeed much of the world. This is our children’s new normal—in effect, we are reversing the ‘extinction of experience of nature’.

Caring for the sanctuary remains our top priority. However, this beautiful forest Te Māra a Tāne does not exist in isolation. It is part of the environmental, social, cultural, and economic fabric that has shaped Wellington. Our impact now stretches well beyond the predator exclusion fence through flagship projects such as the collaborative catchment restoration project Sanctuary to Sea Kia Mouriora te Kaiwharawhara, and work to support the nature-rich aspirations of rangatahi/youth and community leaders in their own neighbourhoods. Through these projects we have found incredible allies in our mission, including the Wellington City Council, mana whenua, Greater Wellington Regional Council, CentrePort, and many other organisations, businesses, and individuals.

Our 20-year strategy, Living with Nature: Tiaki Taiao, Tiaki Taonga – our strategy for 2016-2035, remains the key touchstone for Zealandia’s work. Our impact areas outlined below, and ‘Our way’, informs our approach to transformation.



1.1. Our way. Ngā mātāpono

What we say and do will express our core values and mindset. Our values, as outlined in Living with Nature: Tiaki Taiao, Tiaki Taonga – our strategy for 2016-2035 are:

Kaitiakitanga. We are effective stewards of Te Māra a Tāne, the sanctuary valley, its halo, and our resources.

Manaakitanga. We welcome all, share our love of nature with enthusiasm and generosity, and value our supporters.

Hāporitanga. We call on and value active input from all parts of the community.

Mātauranga. We wisely develop and use our understandings of people and our natural world.

Kotahitanga. We work in a collaborative movement of communities and organisations, sharing our experiences, and valuing other's insights.

1.2. Our places, projects and partners

Te Māra a Tāne, the sanctuary valley. Zealandia is an organisation charged with caring for Te Māra a Tāne, the 225 ha sanctuary valley. We have primary responsibility for realising the 500-year vision of restoration within the bounds of the predator exclusion fence. Most of our activities are focused on achieving this restoration vision, and through our learning and engagement activities within the sanctuary we support others to gain inspiration from this incredible place.

Sanctuary to Sea, Kia Mouriora te Kaiwharawhara. Te Māra a Tāne sits at the headwaters of the Kaiwharawhara catchment, a place that is particularly special to mana whenua, as well as many other Wellingtonians. Zealandia does not own, nor directly manage the catchment beyond the sanctuary fence. Instead, we lead this project that brings our community together under a common 100-year vision, that the lifeforce of the Kaiwharawhara is healed—Kia Mouriora te Kaiwharawhara. Our partners include mana whenua and Wellington City Council, alongside other Government and non-government organisations, businesses, and individuals.

Outreach, networking, and research to inspire Wellington and beyond. Te Māra a Tāne and Sanctuary to Sea provide us with opportunities to learn and test new models for working with our environment and people. We share what we learn through multiple means. We work directly with communities and schools across Wellington that have sought our support in realising their aspirations for nature at their place. We seek to inspire others and generate change, both nationally and internationally through our research. We network with our community to share ideas, collaborate, and spark change for a better future.

Our partners. We have many partners from diverse backgrounds, reflecting the fact that sustainability and better outcomes for biodiversity is everybody's business. We focus our partnerships on the projects and places outlined above. We have a growing research agenda led through Zealandia's Centre for People and Nature, through which we seek research collaborations that help foster better outcomes for people and nature.

2. The Strategic Partnership between the Karori Sanctuary Trust and Wellington City Council

Wellington City Council (Council) on behalf of the people of Wellington is a key strategic partner and funder of the Karori Sanctuary Trust. Zealandia continues to play a pivotal role in creating the nature-rich character of Wellington, which sets our city apart from other major centres in Aotearoa New Zealand, and most other cities internationally. The strong alliance between Zealandia and Council will continue to support our city's aspirations into the future for '*an inclusive, creative and sustainable capital*'. This SOI highlights the alignment between Zealandia's strategy, and Council's 2021-31 Long Term Plan.

Zealandia's key impact areas align strongly with the Wellington City Council's vision for the future. Our 2020/21 annual report highlights nationally- and internationally- leading outcomes that cut across the social, environmental, cultural, and economic domains, and this will continue into 2022/23. Zealandia targets annual activities towards high-impact and unique offerings through which we achieve social and environmental change; we aim to radically change how people live with nature.

We approach our work in a collaborative way, with a strong focus on partnership with mana whenua and connecting people and organisations for better environmental outcomes. We show leadership in sustainable business practices to ensure a better future for Wellington, Aotearoa New Zealand, and the world.

Zealandia is heading into 2022/23 with a strong balance sheet despite the ongoing challenges presented by Covid-19. At the end of 2020/21, our operating working capital balance was \$4.09 million including \$2 million of commitments for our Tanglewood House build and 'future leaders' funding. The balance of \$1.24 million was the working capital reserve agreed with the Board to cover potential future budget deficits; it includes at least three months of operating expenses in line with financial management good practice.

Within this document we provide a strategic overview for 2022/23. To summarise our response to the Statement of Expectations, during 2022/23 we will:

- Drive outcomes across all impact areas (environmental, social, cultural and economic) outlined in the Council's 2021-31 Long-term Plan.
- Give effect to Te Tiriti o Waitangi through continued growth of our partnerships with mana whenua, in support of the emerging Kia eke panuku Māori Strategic Direction.
- Align with the goals identified in Te Atakura, the First to Zero strategy through our continued commitment to being an environmentally responsible organisation.
- Deliver high value, diverse engagement programmes to support Aho Tini 2030.
- Continue to enrich the lives of rangatahi through our unique learning offerings, to support the Strategy for Children and Young People.
- Contribute to the economic wellbeing of our city and support the development of the Council's Economic Wellington Strategy.
- Improve accessibility at Zealandia where possible in line with the goals outlined in Accessible Action Plan 2019-22, including a range of Rainbow inclusivity initiatives.
- Foster our alliances with other Council initiatives and strategies, including Predator Free Wellington and *Our Natural Capital*, Wellington's biodiversity strategy.
- Continue to implement the Council's Living Wage Policy for our employees as required by Council.
- Construction of Tanglewood House to ensure Zealandia's facilities are fit for the future.

3. The nature and scope of our activities in 2022/23 and beyond

Over the next financial year Zealandia will focus on highly targeted areas of impact for Wellington and Aotearoa New Zealand, assuming a gradual rebuild of international tourism following the impacts of Covid-19.

The following sections set-out our scope of business and key performance indicators for our organisation under our areas of impact. This strategy will be supported by our business plan for 2022/23 and a range of other operational plans that are approved by the Board from time to time.

The KPI Scorecard (section 4.1) brings together a set of Key Performance Indicators to enable Zealandia management, the Trust Board and Council to focus on the most important measures of success for 2022/23.

3.1. A place that treasures – He wāhi taonga

Restoring our valley and its extending halo of biodiversity.
Building our organisation’s capacity to drive transformation.



Zealandia consistently delivers regional, national and international leadership in line with the Council’s Long Term Plan environment outcome area, *“A sustainable, climate friendly eco capital: A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is mitigating and adapting to climate change – for now and future generations”*.

Zealandia is first and foremost the steward of a pioneering conservation and restoration project—Te Māra a Tāne, the sanctuary valley. This sanctuary provides the foundation for the exceptional biodiversity outcomes that Wellington has experienced over the past 20 years; the presence of birds like kererū, titipounamu and kākā in our suburbs has now inspired national level initiatives and environmental outcomes, including Predator Free 2050.

The contribution of Zealandia’s work to Wellington, Aotearoa New Zealand, and the world has been lauded as a game changer in conservation. We choose our conservation and restoration activities carefully, looking for maximum impact. We use the opportunity that our unique urban environment provides to explore the outer boundaries of conservation and restoration practice and share our learnings to add national and international value.

This way of working supports the Council’s Long-Term Plan Social and Cultural outcomes areas to create *“An innovative, inclusive and creative city”*, and a city *“where people and communities can learn, are connected”*. As a values-based but leading-edge organisation we also attract and retain talent across our areas of expertise, supporting the Council’s economic aspirations for the city.

Zealandia’s work in conservation and restoration within the sanctuary is guided by the Zealandia Te Māra a Tāne Conservation and Restoration Strategy 2018-2038. Our current priorities inside the fence include the gradual replacement of the exotic tree canopy cover with a native canopy, progressing forest, wetland and freshwater restoration work with our iwi partners (including the reintroduction of suitable species), and replacing elements of the predator exclusion fence as needed.

Beyond the fence, our focus continues to be on the Kaiwharawhara catchment through our collaborative Sanctuary to Sea Kia Mouriora te Kaiwharawhara project. A major priority within this project over the

coming year is supporting businesses in achieving their aspirations for biodiversity—‘*Every business restoring nature*’. The Department of Conservation and CentrePort are central partners in this project. We also work closely with Council and communities in the ‘halo’ area, to increase the chances that species dispersing beyond the fence can survive and thrive. This includes, for example, identifying key priorities for pest and predator control.

Zealandia as a partner under Te Tiriti o Waitangi

Te Tiriti o Waitangi has at its core a requirement for Māori to have rangatiratanga over taonga, which includes native flora and fauna. As such, our partnership with mana whenua Taranaki Whānui and Ngāti Toa Rangatira is currently most prominent through our work with taonga. We have shaped our priorities around species and projects of special interest to our iwi partners and will seek new ways to ensure we support their aspirations in a genuine, responsive way. We aim to be leaders in demonstrating how a non-government organisation with western foundations can partner meaningfully, and effectively.

Our work in this area provides the foundation for strengthening our partnership with mana whenua in all areas of our organisation, as well as the te ao Māori and te reo content for our interpretive material and stories. We work closely with Council, including the Biodiversity Team and Ōtari Wilton’s Bush to ensure we take a collective approach to our mana whenua partnerships. Like much of Aotearoa New Zealand, Zealandia is still early on a learning path in this area; however, it has been an area of significant growth for our organisation and we provide significant leadership for the Council outcomes in relation to Kia eke panuku Māori Strategic Direction.

Development of Tanglewood House

Tanglewood House will be a purpose-built facility that will future-proof Zealandia with the staff, volunteer and researcher accommodation that it needs. The resource consent has been completed, and we have revisited the design to ensure the building will be fit for purpose following the impacts of Covid-19 on the building industry. We aim to complete this build by the end of the 2022/23 financial year, though this will be influenced by external factors including the availability of building materials. As indicated in previous SOIs, the Board has approved funding for the development of Tanglewood House and this funding has been secured and ring-fenced in our budgets. The funding includes the contribution from Council as confirmed in its 2017 Long Term Plan.

We continue to pay close attention to carefully managing our working capital as this enables us to manage future financial risk in these uncertain times, while also investing in our infrastructure.

Climate change

Climate change will affect Te Māra a Tāne, the sanctuary, as well as how our organisation operates. We expect to continue seeing changes to rainfall, patterns of severe weather events, and temperatures. These will in turn affect our natural environment through various ways, such as bird breeding cycles, the vulnerability of our forest to fire and other threats; and climate change will also promote new and unexpected invaders such as plant and animal diseases. We are also likely to see changes in habitats and the species that make up our forests as the climate shifts.

Our fundamental approach to dealing with these issues is to continue restoring resilience to our forest and freshwater habitats. Our conservation measures in table 4.4 and the types of species we are focusing on reflect this priority. Now is the time to ensure the small, silent, and sometimes unnoticed parts of our ecosystem are restored. Species such as kākahi (freshwater mussels), and mistletoe can have transformative effects on ecosystems, and help it adapt and change into the future. This approach to

restoration and conservation also allows us to engage people in exciting new stories that they may not have experienced before.

Zealandia continues to strive to be a leader in sustainable business practices. In the past we have showcased exemplary approaches to sustainability such as the pioneering use of electric shuttles in partnership with Meridian, and we have successfully achieved Toitū Envirocare carbonZero certification for the seventh consecutive year. This year we will be assessing whether the TCFD (Taskforce on Climate Related Financial Disclosures) framework can be used for our organisation as a tool for tracking our climate risks and opportunities.

Our objectives for 2022-2027

Over the next five years we will:

- Continue to take significant steps towards the creation of a resilient, thriving sanctuary ecosystem.
- Demonstrate how conservation and restoration can be done in a way that is collaborative and founded on Te Tiriti o Waitangi.
- Be active conservation leaders and partners beyond the fence, locally, nationally and across the world.
- Show leadership in sustainable business practice.
- Support a vibrant staff and volunteer workforce supported by fit-for-purpose facilities and development opportunities.

Current (ongoing) programmes

On an ongoing basis we:

- Maintain the perimeter fence to ensure the area within the fence is secure from mammalian threats.
- Effectively monitor and manage threats (plant and animal pests).
- Manage and monitor indigenous plants and animals, especially those recently transferred to the sanctuary or requiring support, for example, through provision of supplementary food or nest boxes.
- Examine the effects of, and threats presented by, climate change on Te Māra a Tāne to remain responsive and adaptable in our approach.
- Collaborate with others beyond the fence to deliver the best outcomes for the Kaiwharawhara catchment through the Sanctuary to Sea Kia Mouriora te Kaiwharawhara project and maximise the chance that dispersing wildlife can thrive.
- Support a staff and volunteer workforce of over 500 individuals.

Strategic Initiatives

New or growing areas of work for us include:

- Leading the delivery of the Sanctuary to Sea *Every business restoring nature* initiative.
- Partnering with mana whenua to support their aspirations for taonga present at Zealandia Te Māra a Tāne and beyond.
- Building a fit for purpose facility to provide a supportive and productive workplace for staff, volunteers, and researchers.
- Implementing opportunities to reduce waste through initiatives to reduce, reuse and recycle and to reduce our carbon footprint in line with the Council's Te Atakura First to Zero Policy.

Key performance indicators for 2022/23

- We are progressing the restoration of Te Māra a Tāne through achievement of the conservation measures in section 4.4.
- Tanglewood house is close to completion.
- Grant revenues (excluding the WCC grant) equate to >75% of overall income.
- Membership subscriptions of \$400,000.
- We achieve a net breakeven before depreciation and tax.
- Average WCC subsidy per visitor of no more than \$14.96.
- Average revenue per visitor of no less than \$27.55.
- Non-Council donations/funding of \$200,000.

3.2. A place that engages – he wāhi huihuinga

Create inspiring and accessible experiences.

Form strong and enduring local, national, and international partnerships based on shared goals.



It is through the *engagement* impact area that Zealandia delivers to the social and cultural outcomes identified in the Council’s Long-Term Plan. Our organisation will continue to support the delivery of “An innovative, inclusive and creative city,” as well as the economic aspirations of the city.

We seek to ensure that the people we connect with, whether they are internal or external, visitors or volunteers, partners, or community members, can build strong and enduring connections with nature. The ‘win’ is when that connection translates into conservation advocacy and action. We understand that people connect with nature in different ways, through culture, the arts, science, and more. Our programmes and in-valley offerings reflect that diversity. Our goal is that visitors have opportunities to experience Zealandia regardless of accessibility needs, backgrounds, and perspectives.

Zealandia has been recognised for its innovative approach to delivering social and environmental good outcomes through a visitor experience-based enterprises model. Our tour offerings not only help support a sustainable bottom line, but also provide avenues for Zealandia to empower the wider public and engage people with nature through both western and te ao Māori lenses. Our new botanical and wildlife signage has been developed with our mana whenua partners, and weaves unique stories in te reo Māori and English.

Our award-winning sanctuary attracts visitors to Wellington. This in turn supports the economic outcomes the Council is striving for.

All our work across the impact areas of learning, empowering and conservation requires exceptional partnerships. We continue to honour these partnerships particularly through our flagship projects Sanctuary to Sea Kia Mouriora te Kaiwharawhara, the sanctuary itself, and our education and research programmes.

Our objectives for 2022-2027

- We enable Wellingtonians and New Zealanders to visit and connect with Te Māra a Tāne, the sanctuary, in a range of meaningful ways.

- We have an increasingly strong digital presence to engage audiences from across Aotearoa New Zealand and the world.

Current programmes

- We provide formal and informal education, visitor, and volunteer experiences in the sanctuary and beyond that increase people’s understanding and connection with nature.
- We engage people through a wide range of communication channels so that we are actively connecting people with an understanding of how they can live better with nature.
- Our programmes, both in the sanctuary and beyond the fence, connect with a wide cross-section of Wellington’s communities.

Strategic Initiatives

- We are building our digital infrastructure to ensure it is fit for purpose and can support a range of offerings into the future.
- We are exploring and testing new products that fit the needs of a local and national regenerative tourism market.
- We explore how we can cater to diverse communities through our offerings.

Key performance indicators for 2022/23

- Visitor numbers – 90,000 separate visitations with breakdown of visitor demographics.
- Zealandia achieves a visitor satisfaction rating of 95% or greater.
- 80% of volunteers are satisfied with their relationship with Zealandia.

3.3. A place for learning – he wāhi mātauranga

Embrace mātauranga Māori and other knowledge frameworks.

Become a hub where people of all ages can learn, create new knowledge and share insights and understanding.



Zealandia’s schools and learning programme

Zealandia’s learning programmes and research agenda inspire people of all ages and diverse backgrounds to gain a deeper understanding of nature both inside Te Māra a Tāne the sanctuary valley, and beyond the fence. We enrich local curriculums and grow our community’s collective ability to live better with nature. As our partnerships with mana whenua grow through our conservation and restoration programmes, so too does the richness of our content from a te ao Māori and te reo Māori perspective. This contributes to intergenerational environmental, social, and cultural outcomes for our city.

Zealandia is one of the foremost providers of environmental education in Aotearoa New Zealand. School visits provide a unique way through which Zealandia supports local curriculum topics across the sciences, social sciences, and the arts. These visits include primary, secondary, and tertiary sector students. These visits also provide inspiration to communities for what is possible beyond the sanctuary fence.

In 2021/22 the Ministry of Education will no longer be supporting Zealandia’s learning programme. This has reduced the volume of school engagements we are able to deliver.

International research agenda

Our programme of research has grown significantly with a focus on world leading research into how people and nature interact, and what that means for our future. We have a strategic relationship with Te Herenga Waka Victoria University of Wellington, and over the coming years see an opportunity to collectively make Wellington the place people want to come to undertake interdisciplinary conservation studies. As students continue to demand low-carbon opportunities to study nature, Wellington has a globally unique offering due to the presence of a leading ecosanctuary and its flow on-effects to the biodiversity of Wellington.

We currently partner with co-funders Predator Free Wellington, the Biological Heritage National Science Challenge, and the Restoring Urban Nature research collective to progress these research agendas; these partnerships will continue into the 2022/23 financial year and support post-doctoral fellow roles within our organisation.

Supporting our people in their learning

Zealandia has a large community of volunteers and staff; in total, over 500 people in 2021/22. We will continue connecting this community with opportunities to learn about the environment and provide many opportunities for Wellingtonians to learn by doing.

A key area of focus is in bringing te ao Māori concepts and te reo Māori into our day-to-day mahi/work. This includes, for example, the regular use of a bespoke Zealandia Te Māra a Tāne karakia that was gifted to our organisation and the continuation of a vibrant waiata rōpū/group. We also have an intense cultural capability learning programme for staff, Te Ara Poutama, which was piloted last year. This work both equips our people with new skills, but also ensures te reo Māori and te ao Māori becomes more visible at Zealandia and through our external engagement programmes. It is making Zealandia a more inclusive and supportive place to work.

Our objectives for 2022-2027

- Our people understand the important role that Te Tiriti o Waitangi has in Aotearoa New Zealand and our work; they make space for the expression of te ao Māori and feel comfortable in their use of te reo Māori.
- Alongside our partners Te Herenga Waka Victoria University of Wellington, we make Wellington the place people want to come to study conservation.
- Our learning programme has national impact, including through digital platforms.

Current programmes

- We deliver formal education programmes to young people supported by the Ministry of Education, as well as nature connection programmes for low decile and low engagement schools.
- We create opportunities for staff and volunteers to increase their competency and capability in te reo and te ao Māori.
- We deliver visitor, staff and volunteer programmes and activities for Mātariki and Māori Language Week.
- We undertake, and support, leading-edge research that will increase our understanding about nature, and how people interact with it.
- We create a supportive environment for staff, volunteers, and researchers to ensure research and learning are encouraged and embraced.

Strategic Initiatives

- We will grow our regular giving funding base to support and expand our formal and informal learning programmes.
- We will build our impact beyond the fence through initiatives such as ‘nature at your place’, which is about supporting others to promote nature in their corner of the world.
- We are exploring possibilities for digital learning approaches that could connect with audiences further afield.

Key performance indicators for 2022/23

By the end of 2022/23:

- We will have delivered 4000 education engagements.
- Our staff and volunteers will have had access to cultural competency upskilling opportunities.
- We have delivered key events in line with Mātariki and Te Wiki o te reo Māori.
- We will have shared our leading-edge research on social and ecological outcomes from nature conservation in cities.

3.4. A place that empowers – he wāhi whakamana

Equip people with experience and skills for a nature rich future.

Inspire change through example and shared passion for action.



By empowering our community Zealandia is both contributing to the sustainability of our city and beyond, as well as supporting people in exploring their identities and what nature means for them in their special places, in line with the Council’s Long-Term Plan.

Zealandia empowers people through our learning, engagement, and conservation programmes. We do this through informative and inspiring messaging across multiple platforms, working collaboratively with others, and by targeting our impact to areas of deep need to Wellington, Aotearoa New Zealand, and the world.

Increasingly we are focusing on supporting schools and communities in the places where they live—‘beyond the fence’—to realise their aspirations for nature. This work is gaining pace, for example through our support of the Cannon’s Creek Men’s Group and the Green Korowai project, as well as the ‘nature at your place’ schools programme. This work will have an increasingly transformative effect on our city and our people, ensuring nature can become part of everyone’s life.

Over the last year our digital impact has grown, with lively and engaging social media feeds and membership communications. This continues to be our focus: inspiring others to create better social and environmental outcomes for the future.

At the end of 2020/21 we had over 17,000 members who have become supporters of our work. In the coming year we will continue to build on this memberships programme to capture national and international support for our mission.

Our objectives for 2022-2027

- The programmes, communications, and experiences that we offer inspire people to action across Aotearoa New Zealand and the world.

- Our membership includes representation from across the motu and beyond, and people join us to support nature.

Current programmes

- We provide learning experiences, tour products, and visitor experiences that support people to increase their connection with nature and understand and value Aotearoa New Zealand's natural heritage.
- Our communications with audiences through a variety of channels are inspiring and engaging and reach people who may not be able to visit Zealandia Te Māra a Tāne.
- We have an active membership programme which is increasingly focusing on supporting our mission.
- We reach beyond the fence to work with communities on their aspirations for nature in their place.

Strategic initiatives

- We are working closely with the corporate sector to grow our Sanctuary to Sea *Every Business Restoring Nature* programme, that aims to support businesses in realising their aspirations for nature.
- We are growing our national supporter/membership base by sharing our social and environmental impact across Aotearoa New Zealand and internationally.

Key performance indicators for 2022/23

- We have begun connecting with a range of businesses through our Sanctuary to Sea Kia Mouriora te Kaiwharawhara project.
- We are working with 10 or more community organisations to support 'beyond the fence' aspirations for nature.
- We have 17,000 members from across Aotearoa New Zealand.

4. Performance Measurements

4.1. KPI Scorecard 2022/23

Below is a summary of the KPIs outlined across section 3.

A place that treasures	A place that engages
<ul style="list-style-type: none"> • We are progressing the restoration of the Zealandia Te Māra a Tāne sanctuary through achievement of the conservation measures in section 4.4. • Tanglewood house is close to completion. • Grant revenues (excluding the WCC grant) equate to >75% of overall income. • Membership subscriptions of \$400,000. • Average WCC subsidy per visitor of no more than \$12.47. • Average revenue per visitor of no less than \$27.55. • Non-Council donations/funding of \$200,000. 	<ul style="list-style-type: none"> • Visitor numbers – 90,000 separate visitations with breakdown of visitor demographics. • Zealandia achieves a visitor satisfaction rating of 95% or greater. • 80% of volunteers are satisfied with their relationship with Zealandia.
A place for learning	A place that empowers
<ul style="list-style-type: none"> • We will have delivered 4000 education engagements. • Our staff and volunteers will have had access to cultural competency upskilling opportunities. • We have delivered key events in line with Mātāriki and Te Wiki o te Reo Māori. • We will have shared our leading-edge research on social and ecological outcomes from nature conservation in cities. 	<ul style="list-style-type: none"> • We have begun connecting with a range of businesses through our Sanctuary to Sea Kia Mouriora te Kaiwharawhara project. • We are working with 10 or more community organisations to support ‘beyond the fence’ aspirations for nature. • We have 17,000 members from across Aotearoa New Zealandia.

4.2. Non-financial Performance Measures

Measure	2021/22 forecast	2022/23	2023/24	2024/25
Visitation	86,000	90,000	100,000	110,000
Members (Individuals)	17,000	16,000	16,500	17,000
Volunteers	>500	>500	>500	>500
Percentage of Satisfied Visitors	>95% ¹	>95%	>95%	>95%

¹The measure is in line with standard sector benchmarking.

Measure	2021/22 forecast	Q1	Q2	Q3	Q4	2022/23	2023/24	2024/25
Visitation	86,000	13,000	28,000	32,000	17,000	90,000	100,000	110,000
Education visits ²	4,000	700	1,300	1,000	1,000	4,000	9,000	9,000

² (schools, tertiary, early childhood, school holiday programme, and outreach; Ministry of Education funding has not been continued as of July 2022).

4.3. Financial Performance Measures

Measure	2021/22 forecast	2022/23	2023/24	2024/25
Average subsidy per visit (total WCC operating grant/all visitors)	\$12.71	\$12.47	\$11.55	\$10.79
Average revenue per visit (excludes Council & Government grants)	\$27.28	\$27.55	\$27.83	\$28.10
Non-Council donations/funding	\$348,305	\$200,000	\$200,000	\$200,000

4.4. Conservation Measures

Note, the measures provided in this SOI reflect the Zealandia Te Māra a Tāne conservation and restoration strategy 2018-2038. These build on and extend previous work to further conservation outcomes within Zealandia and beyond.

Measure	2021/22 forecast	2022/23	2023/24	2024/25	Explanation
Manawaroa. We actively restore ecosystem function to foster resilience					
Number of fauna or flora species transferred into or out of the sanctuary, or 'topped up'.	1	1	1	1	This indicates active effort to enhance biodiversity outcomes inside Zealandia and beyond. Transfers over the coming years are likely to include the release of Wellington barking gecko, a top up of tīeke, and propagation of Dactylanthus and dwarf mistletoe plants.
Percentage of the bird community that is native.	80%	80%	80%	80%	This is an indicator of the proportion of our bird community that is indigenous and is measured through annual 5-minute bird counts. The target is to maintain the level at or above 80%.
Kaitiakitanga. We look after what we have alongside our many partners.					
% of incursions into the mouse-free area eradicated, or under active response.	100%	100%	100%	100%	The mouse free area is critical for lizard reintroductions, and for research into the effect of mice on species. This target will ensure we maintain those values.
Mice maintained to target level.	<10	<10	<10	<10	The figure gives an abundance index based on the average abundance/100 corrected trap nights.
% pest animal incursions successfully eradicated, or under active response.	100%	100%	100%	100%	The goal is to actively and responsively control incursions if they occur. The target reflects the uncertainty involved in the outcomes of these responses, and the commitment to continue the response until eradication has occurred.

4.5. Conservation Activities

Activities [note, some activities are dependent on successful permits and translocation operations]	2022/23	2023/24	2024/25
Continue restoration of the lower valley streams, wetland and lake			
Implement an overarching multifaceted strategic plan	Ongoing	Ongoing	
Research underway according to a research plan	Ongoing	Ongoing	
Implementation of plans	Ongoing	Ongoing	Ongoing
Monitoring the recovery of the lower reservoir and implementing next steps	Ongoing	Ongoing	Ongoing
Forest restoration			
Reduction of the exotic canopy cover	Implement	Implement	Implement
Translocations (including top-ups)			
<i>Dactylanthus</i> (parasitic plant) top up	Implement	Implement	
Common bullies (freshwater fish)	Implement	-	
Giant kōkopū	Plan	Implement	
Tieke (saddleback) top-up		Plan	Implement
Activities	2022/23	2023/24	2024/25
Post-release monitoring for translocated species			
Spotted skink monitoring	Ongoing	Ongoing	Ongoing
Kākahi (freshwater mussel)	Ongoing	Ongoing	Ongoing
<i>Brachyglottis kirkii</i> var. <i>kirkii</i>	Ongoing		
Green mistletoe	Ongoing	Ongoing	
Titipounamu (rifleman)	Reduced due to success	-	
Common bullies (freshwater fish)		Implement	Ongoing

5. The Karori Sanctuary Trust Board's Approach to Governance

5.1. The Trust Deed

The Karori Sanctuary Trust (the Trust) is an incorporated society that is governed by a Trust Deed, first executed in 1995 and most recently updated in October 2016.

We operate as a not-for profit organisation, a social enterprise, seeking to do public good by operating in a way that follows sound commercial disciplines.

As set out in our Trust Deed, the objects of the Trust are as follows:

- 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 in the Karori Reservoir in the City of Wellington.
- To restore the reservoir area 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.

The Trust operates as Zealandia, under the guidance of a Trust Board.

An independent review of the governance structure of the Karori Sanctuary Trust is currently being undertaken to seek advice and assurance that it is meeting current best practice in line with Council's Statement of Expectations. This review includes legal advice that the Trust Deed is fit for purpose, modern and in line with all current legislation. The Board will consider options for the Governance Structure and Trust Deed in light of the outcomes of this review to comply with Council's Statement of Expectations.

5.2. Relationship with Wellington City Council

The Trust became a Council Controlled Organisation in October 2016 with the transfer of the Zealandia Visitors Centre to the Council and the repayment of the loan on the building. The Deed of Variation of Trust signed in October 2016 sets out the new requirement for the Trust Board to consist of a minimum of five persons and a maximum of up to seven persons. The Council can appoint a maximum of six persons following nominations from the Guardians, and the Trust's Board can appoint up to two persons following consultation with the Guardians and approval of the Council.

The Wellington City Council is a strategic partner, a trustee appointee, a principal funder, and the landlord of the Trust.

The Trust reports quarterly to the Council through the Finance and Performance Committee of the Council the agreed measures, which will include a written quarterly report, Statement of Financial Performance, Statement of Financial Position and Cash Flow Statement.

The Trust's audited accounts for 2022/23 will be presented to the Council by November 2023, or earlier if possible. This later than usual date is advised due to constraints in the audit profession's resources which have been widely publicised in the media. The Trust will continue to recognise Council as a principal funder and a strategic partner.

The principles governing the relationship between the Trust and Council are:

- Council will be provided with access to information it requests.
- A “no surprises” approach.
- Work in a collaborative and constructive manner recognising each other's viewpoints and respecting differences.
- Act towards each other honestly and always in good faith.
- Communicate with each other openly, promptly, and in a clear and timely manner.
- Recognise the accountabilities that each has to the other and to those for the benefit of whom services are provided.

5.3. Board Membership

The Trustees of the Karori Sanctuary Trust are:

Trustee	Term Expires
Phillip Meyer (Chairman), appointed by the Council	December 2023
Pete Monk , appointed by the Council	June 2023
David Bibby , appointed by the Council	December 2022
Russell Spratt , appointed by the Council	December 2023
Jo Breese , appointed by the Council	June 2024
Dr Libby Harrison , appointed by the Council	December 2024

- The Deed of Variation of Trust signed in October 2016 outlines the roles of the Trust and the Guardians. All Trustees may receive an honorarium.
- The Trust Board shall meet no less frequently than eight times a year.
- The Chief Executive attends all meetings accompanied by their management team as required.
- Under the terms of the Trust Deed, the Board is required to have an Audit and Risk Committee to assist the Board in reviewing risk tolerance and control, the scope and outcome of the audit and checking appropriate internal controls are in place. Members of the Audit and Risk Committee for the 2022 calendar year are Pete Monk (Chair), Libby Harrison (Trustee) and Phillip Meyer (ex-officio).
- The Board also has a People, Capability and Culture Committee who consider remuneration, policies and people management. Members of the People, Capability and Culture Committee for the 2022 calendar year are, David Bibby (Chair), Jo Breese (Trustee) and Russell Spratt (Trustee) and Phillip Meyer (ex-officio).
- The Board and committee charters are reviewed annually.
- The Board may choose to set-up any new committees as deemed necessary in order to maintain an appropriate level of oversight.
- Trustees will contribute knowledge and skills across a range of work areas during the 2022/23 year and may from time to time contribute to working groups established by the Chief Executive, such as the Tanglewood House steering group.

5.4. Board Performance

The Chair and the Board participate in regular reviews of their performance as follows:

- The Board as a whole by the Board.
- Individual Board members by the Board, through the Chair.
- The Chair by the Board.

The method/standards used to assess the performance will be based on the standards issued by the Institute of Directors in New Zealand, adapted for the Trust. From these reviews, development needs and any other actions required to ensure best practice governance and performance standards will be determined and implemented.

The Board will undertake a review of the Chief Executive's performance in July 2023.

5.5. Board Skills Matrix

The Board skills matrix below outlines trustees' key skills that are considered essential in the delivery of our strategic objectives. Consideration is given to any skills gap when there is a vacancy on the Board. The matrix will be reviewed annually.

Key skill	Phillip Meyer (Chairman)	Pete Monk	David Bibby	Russell Spratt	Jo Breese	Dr Libby Harrison
Research and conservation			✓	✓	✓	✓
Financial	✓	✓		✓		
Information technology	✓	✓	✓			
Strategy development	✓	✓	✓	✓	✓	✓
Marketing	✓	✓		✓	✓	
Legal/regulatory	✓				✓	✓
Corporate governance	✓	✓	✓	✓	✓	✓
Ambassadorial	✓			✓	✓	✓
Risk management	✓	✓	✓	✓		✓
Fundraising				✓	✓	✓
Mātauranga Māori/te ao Māori				✓	✓	
Cultural alignment	✓	✓	✓	✓	✓	✓

5.6. Annual General Meeting

The Trust holds an Annual General Meeting (AGM) each year for members to discuss the annual report and financial statements and hear from the team activities for the coming year. The AGM for 2023 will be held in November.

6. Organisational Health, Capability and Risk Assessment

6.1. Organisational Health and Capability

Our aim is to deliver our work by attracting and retaining talented and capable staff and through strategic partnerships. Critical to our success is having experienced and motivated staff. Training and professional development for staff will continue to be a priority for 2022/23.

We will continue to work closely with Victoria University, Council (e.g. shared services initiative) and other partners to build the capability of the organisation.

6.2. Executive Team

Dr Danielle Shanahan	Chief Executive and Director, Centre for People and Nature
Jo Ledington	Manager Conservation and Restoration
Chris Fitzgerald	Manager Commercial Development
Anne-Louise Wirth	Manager External Engagement
Ros Alsford	Manager Corporate Services

6.3. Environmental Practices

The Trust is committed to and incorporates sustainable practices.

Zealandia has been awarded the Qualmark Gold and the Toitū Envirocare carboNZero accreditation.

An across-organisation group (the Green Team) monitors Zealandia's sustainability practices and suggests and implements new approaches wherever practicable.

7. Health and Safety

The Trust has robust Health and Safety systems in place and a detailed Emergency Procedure Action Plan that complies with the Health and Safety at Work Act 2015.

Key actions taken or underway

- Incidents and hazards are recorded online and this reporting allows mitigations to be applied in a timely manner.
- Incident reports are reviewed regularly and our updated procedures of sign-off ensures the officers are satisfied with the investigations and outcomes is working well.
- The Chief Executive continues to be a member of the "Business Leaders Health and Safety Forum" and uses this to inform and keep abreast of good practice models.
- We continue to ensure employees and volunteers have an inclusive role in the identification and management of health and safety matters; including using the Health and Safety Committee to give a direct line of communication and ownership around health and safety matter across all areas of the organisation.
- We maintain a training regime that ensures there is a good level of coverage of personnel who can confidently deal with first responder medical and emergency situations throughout the site at all times.
- We continue to maintain an Employee Support Programme through EAP Services which provides free and confidential support to all employees.
- Our monthly health and safety dashboard provides our Board an important view of key data trends year-on-year.

Initiatives planned

We will continue to:

- evolve our policies and processes as WorkSafe publishes new guidelines and requirements become clearer.
- foster a collaborative and proactive approach within the organisation and with our partners.
- engage with the PCBUs of other organisations with which the Trust works, partners, or otherwise deals or is considering dealing with, to require more robust evidence of their suitability and pertinent qualifications before working with them.
- work with agencies such as the Wellington Regional Emergency Management office, the Rural Fire Authority, Search and Rescue New Zealand, and other Wellington City Council Controlled Organisations, to develop relationships and review joint working relationships.
- engage with WorkSafe with a view to reducing our ACC levy payments by undertaking recommended programmes and assessments.
- identify and organise ongoing training to reach or exceed best practice levels in all areas.

8. Asset Management Plan

In 2021/22 we developed an asset management strategy that sets out our long-term approach to asset management, including key principles and how we manage our infrastructure going forward.

Tanglewood House will be added to the Asset Management Plan.

We will continue to improve our asset management systems.

We will keep the Council updated on developing business cases for future capital programmes.

9. Risk Management

The Trust regularly reviews all known and potential risks. A robust risk management process, using standard risk methodology, is monitored by the Audit and Risk Committee and reported to the Board.

The Trust has robust fit-for-purpose systems and processes and financial delegations.

The Trust has insurance policies for Material Damage, Business Interruption, Motor Vehicle, Combined Liability (Public, Employer, Statutory, Crime, Employers Disputes, Cyber and Trustee) and Marine Hull.

For medium and high risks, control systems and management strategies are established, as appropriate. The objective is to reduce the residual risk to the point where all cost-effective mitigations have been put in place. The Audit and Risk Committee is responsible for reviewing these strategies, as required. The Trust's management is responsible for their implementation. There are four response types, depending on the risk assessment and cost effectiveness considerations. These are:

- **Avoidance:** To eliminate the conditions that allow the risk to be present at all, often by changing or stopping the activity.
- **Acceptance:** To acknowledge the risk's existence, but to take no pre-emptive action to resolve it, except for the possible development of contingency plans should the risk event come to pass.
- **Mitigation:** To minimise the probability of a risk's occurrence or the impact of the risk should it occur.
- **Deflection:** To transfer the risk (in whole or part to another organisation, individual, or entity – such as through insurance).

The current framework employs a risk matrix indicated below, with likelihood and consequence tables providing a greater degree of clarity in line with current best-practice.

Probability of Risk	Impact of Risk				
	Minor	Moderate	Significant	Major	Severe
Almost Certain	Low	Medium	High	Very High	Very High
Likely	Low	Medium	High	Very High	Very High
Possible	Low	Medium	Medium	High	Very High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Medium	Medium

The Zealandia risk register is updated and reviewed by the Audit and Risk Committee annually as part of our planning cycle and is available to Council to view on request.

For the coming years some key risks are identified in the table on the following pages.

#	Risk (risk owner)	Potential consequence	Probability rating	Impact rating	Overall rating	Control System/Mitigation Strategies	Contingent action	Residual Risk (2022)	Status
1	Large number of staff/key staff forced to isolate due to pandemic	Force closure/key areas of business unable to operate.	Likely	Major	Very high	Follow all Government policies and recommendations, e.g. application of Vaccine Passes, to reduce chance of transmission and risks to staff. When Covid is prevalent teams split into staggered working groups to avoid whole parts of the business becoming affected. Teams provided with best PPE options available to prevent Covid-19 transmission.	Maintain an action plan, including communications, for when areas of business are forced to close.	Medium (pandemic now at lower levels in NZ)	Stable.
2	Inadequate responses to Covid—19 Government policies and recommendations	Zealandia people exposed to Covid-19 in the workplace. Reputation risk.	Possible	Major	High	Detailed review of government alert level measures occurs as announcements are made. Clear communications to staff and other Zealandia people as changes are made. Ensuring all our operations and PPE provided to staff fully comply with best practice. Documentation maintained as transitions occur. Maintain Covid-19 as a standing item on SMT meeting agenda.	Identify areas of non-compliance rapidly and put in place remedies as soon as possible.	Low	Declining.
3	Short-term (within year) pandemic response has an adverse impact on visitation and revenue	Adverse result in budget	Rare	Significant	Very high	Budget control; regular reviews; quarterly reforecasting of end of year result. Expenditure is controlled in response to any income reduction. Financial delegation rules are monitored closely. Key enterprise indicators (revenue and visit numbers) are tracked weekly at management meetings. Maintain understanding of tourism predictions from industry partners. Monitor working capital to maintain 3 months of operating funds.	Where year-end forecasts are becoming unfavourable, seek to reduce expenditure immediately; seek new revenue opportunities; identify ability of working capital to absorb the impact.	High	Stable.
4	Longer term (5-year) pandemic impact and effects of climate change have an adverse impact on visitation and revenue	Adverse result in budget, risks to ongoing sustainability of the business and progress towards restoration and engagement objectives	Rare	Significant	Very high	Maintain 5-year planning cycles and long-term predictions of revenue streams/capital expenditure. Maintaining networks in the tourism industry to understand predicted impacts of the pandemic and climate change on revenue. Diversifying the business, including increasing the focus on memberships, engagement through digital activities, fundraising and corporate partnership. Explore new opportunities for biodiversity credits. Integrate accounting for sustainability into Zealandia BAU. Monitor working capital to maintain 3 months of operating funds.	Adjust annual business plan to meet a breakeven bottom line before depreciation.	Low	Declining.

#	Risk (risk owner)	Potential consequence	Probability rating	Impact rating	Overall rating	Control System/Mitigation Strategies	Contingent action	Residual Risk (2022)	Status
5	Zealandia becomes impacted by a cyber-security breach	Loss of data, access to operating material, loss of ability to operate.	Possible	Major	High	Improvement in IT security and controls through engagement of respected IT firm (Datacom). Addition of two-factor authentication for access to IT systems. Staff regularly reminded to be vigilant regarding risk of cyber attack. Secure platforms always used for payments. Staff training on cyber security is planned to be delivered in 2023.	Contact Datacom as soon as a breach is detected or suspected. Follow instructions. Identify how business can continue depending on the nature of the breach.	High	Stable.
6	Staff fraud	Zealandia loses considerable funds, or suffers a reputation damage.	Possible	Severe	Very high	Policy and procedures in place that cover delegations, signatures, cash handling etc. Code of Conduct in place. Audit- review annually. All operating transactions are reviewed by budget managers. Monthly balance sheet reconciliations. Effective procedures and systems of control in place (including separation of duties in high risk areas). Cash handling procedures regularly reviewed and ensured to be best practice. CCTV installed to include safe. Train finance staff to manage risk.	As soon as indication of staff fraud detected an investigation should take place. Police involved where necessary. Train VC staff in best practice.	Medium	Stable.
7	Health and safety risks that could lead to a negative outcome	Site incident causing minor to severe harm, or death.	Unlikely	Severe	High	A comprehensive health and safety plan is in place and regularly reviewed. Ensure Zealandia people have access to adequate PPE. H&S KPIs established to encourage early reporting of potential hazards. Hazard Register is in place and regularly reviewed. Clear communication to visitors of safety rules. Clear communication to staff and volunteers of safety rules. Event management processes robust. Staff training programmes in place for tools such as quad bikes and chainsaws. Plan for hazards introduced by new activities. Respond appropriately and with necessary H&S risk assessments to severe weather events or natural disasters, such as storms or earthquakes. Maintain currency of knowledge of climate change influences on severe weather events and fire, and remain responsive.	Accidents can happen regardless of protections in place. Ensure first responder training is maintained for duty operations staff, and first aid certificates remain current for relevant staff.	Medium	Stable.

#	Risk (risk owner)	Potential consequence	Probability rating	Impact rating	Overall rating	Control System/Mitigation Strategies	Contingent action	Residual Risk (2022)	Status
8	<p>A negative culture or bullying or harassment practices in Zealandia community.</p> <p>A high stress environment caused by external (e.g. climate change, war, pandemic) or internal (e.g. high workloads)</p>	<p>Negative impacts on wellbeing of Zealandia people.</p> <p>Reduced productivity.</p>	Possible	Major	High	<p>Code of conduct in place.</p> <p>A culture of respect in place.</p> <p>Open and transparent communication by management and Zealandia leadership.</p> <p>EAP available for all staff.</p> <p>Key individuals that staff and volunteers can connect with outside of their line management should they require it.</p> <p>Confidential Health and Safety reporting processes in place.</p> <p>Social club established, recognition and rewards procedure in place, processes in place for recognising exceptional work.</p> <p>PDP process in place to support development, identify long-term goals, and to support staff.</p> <p>Regular team meetings in place to encourage effective communication.</p>	Where negative wellbeing outcomes are experienced, Zealandia people will be supported in a way that suits them.	Low	Stable.
9	<p>Failure to establish self-sustaining populations of species, lack of progress in restoration (could occur as a result of biosecurity breach, technical challenges, natural disaster, changing climate, new diseases, etc)</p>	<p>Inability to realise 500-year vision of restoration</p>	Possible	Major	High	<p>Maintain and follow a comprehensive conservation and restoration strategy and associated plans, including monitoring plans. Modify plans as necessary to reflect changing reality of climate change.</p> <p>Ensure competent oversight of projects, and conservation is prioritised.</p> <p>Maintain the highest standards of biosecurity.</p> <p>Proactively maintain a wide network of experts and partners to assist if needed, and to gain knowledge of new threats such as emerging wildlife diseases.</p> <p>Ensuring there are processes in place to act on internal controls and foresee possible external challenges.</p> <p>Predict future threats to the greatest extent possible, e.g. changing climate and the risks that brings, such as disease risk, range shifts, fire risk.</p> <p>Actively communicate with the community regarding challenges, risks and changes.</p> <p>Maintain financial controls to ensure sustainability of conservation programme.</p> <p>Build the resilience of the eco system by increasing biodiversity and targeting restoration efforts to species that increase resilience.</p>	Maintain an open and transparent communication approach with the community and our mana whenua and tangata whenua partners when adverse outcomes are detected.	Low	Stable.

#	Risk (risk owner)	Potential consequence	Probability rating	Impact rating	Overall rating	Control System/Mitigation Strategies	Contingent action	Residual Risk (2022)	Status
10	Major natural disaster such as earthquake, fire, storm (some of these could become more severe with climate change).	Unexpected costs, closure for long periods, significant loss of wildlife, significant loss of infrastructure (e.g. fence, buildings)	Possible	Severe	Very High	<p>Emergency plan in place to deal with natural disaster or similar crisis.</p> <p>Proactively maintain a wide network of experts and partners to assist with biosecurity, fire, or other necessary response.</p> <p>Reduce sources of ignition by maintaining firebreaks and the perimeter around the sanctuary, maintaining the sanctuary as a smoke free environment and refraining from using power tools in high fire risk areas/times. Staff on quad to carry water source for dousing smoulders.</p> <p>Maintain a stock of fence onsite to respond to a breach of the fence.</p> <p>Ensure all buildings are compliant with earthquake or other regulations.</p> <p>Maintain currency of knowledge regarding local effect of climate change on natural systems.</p> <p>Maintain an awareness of effects of weather patterns on the sanctuary, such as low rain and drooping plants. Drills are carried out regularly.</p>	Business continuity plan developed to deal with specific situation.	Medium	Stable
11	Sanctuary security breach (e.g. wildlife poaching, eco-terrorism)	Adverse outcomes for species or individuals	Possible	Major	High	<p>Biosecurity protocols maintained for visitors, volunteers and staff including entry checks at the gate. Camera in place at entry/exit for investigative use.</p> <p>Maintain connections with DOC to ensure we receive information about known poachers who may be visiting the area.</p> <p>Proactively maintain a wide network of experts and partners to assist when needed for an eradication or ecotourism threats.</p> <p>Maintain processes to respond in a timely manner.</p> <p>Annual pest and weed control programs are in place.</p> <p>Locations of rare plants are not shared widely to protect these vulnerable species.</p>	<p>Provide police and DOC with information and support for investigations.</p> <p>Communicate with mana whenua partners and other stakeholders promptly.</p> <p>Maintain open and honest communication.</p>	Low	Stable.
12	Tanglewood House costs increase and have an adverse effect on working capital	Reputational damage to the Trust, building not completed, adverse financial outcomes	Possible	Severe	Very high	<p>Effective project governance in place.</p> <p>Regular monitoring and reforecasting of costs using experts.</p> <p>Budget set and adhered to.</p> <p>Adequate fundraising in place.</p> <p>Use trusted contractors and draw on appropriate expertise.</p>	<p>Anticipate adverse outcomes before they arise.</p> <p>Fundraise as needed.</p> <p>Change plans if required.</p>	Low	Increasing.

#	Risk (risk owner)	Potential consequence	Probability rating	Impact rating	Overall rating	Control System/Mitigation Strategies	Contingent action	Residual Risk (2022)	Status
13	Climate change	Impacts on restoration, revenue, people, and other unidentified areas	Likely	Variable, up to severe	Very high	<p>Eliminating contribution of Zealandia as an organisation to climate change by maintaining Carbon Zero or better, and developing holistic supply chain calculation of carbon output so it can be accounted for in its entirety.</p> <p>Grow influence to support other businesses in reducing their impacts on climate change.</p> <p>Redeveloping business plans to orient towards low-carbon revenue streams.</p> <p>Planning for impacts across all areas of business.</p>		High	Increasing.

10. Additional Information

10.1. Response to other specific letter of expectation matters (if applicable)

None.

10.2. Ratio of Shareholders' Funds to Total Assets

Please refer to the Balance Sheet included in the Accounting policies (Appendix A).

10.3. Estimate of Amount Intended for Distribution

The Karori Sanctuary Trust is a not-for-profit organisation and registered charity and does not make a distribution to the Settler.

10.4. Acquisition Procedures

The Trustees have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or any organisation.

10.5. Activities for which the Board seeks Compensation from a Local Authority

Total funding from Wellington City Council in 2020/21 was \$1,486,963 (including living wage and contributions to Tanglewood House). The development of the Trust's three-year rolling business plan anticipates as a baseline the continuation of the current level of funding.

10.6. Estimate of Commercial Value of Shareholders' Investment

Not applicable.

11. Appendices

11.1. Appendix A: Accounting Policies

i. Statement of compliance and basis of preparation

Statement of compliance

The financial statements presented here are for the reporting entity, Karori Sanctuary Trust. The Trust is a charitable trust registered under the Charities Act 2005.

As the primary objective of the Trust is to develop a secure native wildlife sanctuary which benefits the community, rather than making a financial return, the Trust is a public benefit entity for the purpose of financial reporting.

Basis of preparation

The financial statements are prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entities Standards Reduced Disclosure Regime (PBE Standards RDR) and authoritative notices that are applicable to entities that apply PBE standards.

The Trust applies Tier 2 PBE Standards and disclosure concessions. The Trust is eligible to report in accordance with Tier 2 PBE Standards RDR because it does not have public accountability and it is not large.

Management has applied judgement in determining whether revenue streams have been appropriately classified as exchange or non-exchange in nature.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Measurement base

The financial statements have been prepared on a historical cost basis.

The financial report is measured in New Zealand dollars and all values are rounded to the nearest dollar (\$) unless otherwise stated.

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.

Exchange revenue is defined as transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to another entity in exchange. Revenue streams defined as exchange are membership subscriptions, admissions, sales of goods, certain other Statement of accounting policies grants (where there is an exchange obligation) and certain items of other revenue.

Non-exchange transactions arise where an entity receives value from another entity without giving approximately equal value in exchange. Revenue streams defined as non-exchange are the Wellington City Council grant as well as other grants and donations and items of other revenue that are not included under exchange transactions.

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.

Financial Instruments

Financial instruments are comprised of trade and other receivables, cash and cash equivalents, financial assets at fair value through surplus or deficit, trade and other payables and borrowings at fair sale value. The Trust held no derivative financial instruments in the years reported. The subsequent measurement of financial assets depends on their classification at inception.

iii. Cost of goods sold

Cost of goods sold comprises the purchase of stock items and other directly attributable costs relating to the Café, Retail, Functions and Education services.

iv. Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the entity.

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of the fixed asset or intangible asset. Such cost includes the cost of replacing part of the asset if the recognition criteria are met. When significant parts of the asset are required to be replaced at intervals, the entity recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the fixed asset as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

Measurement subsequent to initial recognition:

Subsequent to initial recognition, Property, plant and equipment and intangible assets are measured using the cost model.

v. Depreciation and amortisation

Depreciation of Property, plant and equipment and amortisation of intangible 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	5-100 years
Exhibitions	2-20 years
Leasehold improvements	10-25 years
Predator fence	25-50 years
Fixtures, Plant and Equipment	2-25 years
Vehicles	5-14 years
Other Assets	3-25 years
Computer Software	3 years

vi. Cash and Bank

Cash and bank include bank balances, funds held at call with financial institutions and other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

vii. Accounts and Sundry Receivables

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

viii. Stock on Hand

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

ix. Leased Assets

As Lessee:

Operating leases

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

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases where the Trust is the lessee are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

x. Impairment

Property, plant and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount.

The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use. If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

xi. 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.

xii. 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.

xiii. Income Tax

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

xiv. 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.

xv. Changes in accounting policies

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

Comparative figures have been reclassified where applicable to conform with current year classifications.

11.2. Appendix B: Zealandia Budget for 2022/23

As in past years, Zealandia will continue to drive revenue and contain costs in 2022/23 and will aim to complete the year with a breakeven position before depreciation and tax.

ZEALANDIA - KARORI SANCTUARY TRUST

Accurate forecasting in Y2 and Y3 is not possible under the current levels of uncertainty, but we will manage the business to at least a break-even position.

Forecast 30-Jun-22	STATEMENT OF COMPREHENSIVE INCOME	Qtr to 30-Sep-22	Qtr to 31-Dec-22	Qtr to 31-Mar-23	Qtr to 30-Jun-23	FYE 30-Jun-23	FYE 30-Jun-24	FYE 30-Jun-25
	Trading Revenue							
569,151	Admissions	162,000	209,000	243,000	209,000	823,000	848,000	873,000
509,883	Membership Subscriptions	122,000	166,000	157,000	121,000	566,000	629,232	648,559
	Other Operating Revenue							
	Sales of Goods							
1,641,996	Other trading revenue	387,658	671,897	739,397	491,097	2,290,050	2,359,000	2,430,000
	Other Operating Revenue							
1,093,432	WCC operating grants	280,526	280,526	280,526	280,526	1,122,105	1,155,768	1,190,441
393,216	WCC Funding for Tanglewood House							
718,664	Sponsorships, grants and donations	204,337	204,087	176,587	178,087	763,098	786,000	810,000
119,749	Other operating income							
	Non-operating Revenue							
	Sub-lease and other non-operating income							
45,246	Interest income	10,000	10,000	10,000	10,000	40,000		
5,091,337	Total Revenue	1,166,522	1,541,511	1,606,511	1,289,711	5,604,253	5,778,000	5,952,000
	Operating Expenses (overheads)							
3,875,482	Salaries and wages	971,476	1,053,101	1,027,480	968,013	4,020,070	4,141,000	4,265,000
412,838	Cost of goods sold	95,460	180,240	136,100	110,640	522,440	543,000	559,000
498,831	Other operating expenses	143,955	165,415	127,405	133,915	570,690	588,000	606,000
155,663	Trustee expenses	37,499	37,499	37,499	37,503	150,000	155,000	160,000
325,631	Administration costs	84,703	100,515	83,776	72,057	341,053	351,000	362,000
5,268,445	Total Operating Expenditure	1,333,093	1,536,770	1,412,260	1,322,128	5,604,253	5,778,000	5,952,000
(177,108)	Net Surplus/(Deficit) before Depreciation and Tax	(166,572)	4,740	194,250	(32,418)	0	0	0
	Other Revenue							
	Exceptional Items							
	Other Expenses							
	Interest expense				4,000	4,000	48,000	48,000
	Loss on Visitor Centre transfer to WCC							
330,652	Depreciation	100,000	100,000	100,000	100,000	400,000	500,000	500,000
(507,760)	Net Surplus/(Deficit)	(266,572)	(95,260)	94,250	(136,418)	(404,000)	(548,000)	(548,000)

ZEALANDIA - KARORI SANCTUARY TRUST

Accurate forecasting in Y2 and Y3 is not possible under the current levels of uncertainty, but we will manage the business to at least a break-even position.

Forecast 30-Jun-22	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-22	As at 31-Dec-22	As at 31-Mar-23	As at 30-Jun-23	As at 30-Jun-23	As at 30-Jun-24	As at 30-Jun-25
	Equity							
6,353,271	Trust Funds	5,845,511	5,578,939	5,483,679	5,577,929	5,845,511	5,441,511	4,893,511
(507,760)	Current year earnings	(266,572)	(95,260)	94,250	(136,418)	(404,000)	(548,000)	(548,000)
5,845,511	Total Shareholder/Trust Funds	5,578,939	5,483,679	5,577,929	5,441,511	5,441,511	4,893,511	4,345,512
	Current Assets							
5,147,803	Cash and cash equivalents	4,381,230	3,606,469	3,071,218	2,707,800	2,707,800	2,275,300	2,175,301
45,000	Accounts receivable	45,000	45,000	45,000	45,000	45,000	45,000	45,000
15,000	Prepayments	15,000	15,000	15,000	15,000	15,000	15,000	15,000
60,000	Inventory	60,000	60,000	60,000	60,000	60,000	60,000	60,000
	Other current assets							
5,267,803	Total Current Assets	4,501,230	3,726,469	3,191,218	2,827,800	2,827,800	2,395,300	2,295,301
	Investments							
	Term deposits - included with cash and cash equivalents above							
130,000	Other investments	130,000	130,000	130,000	130,000	130,000	130,000	130,000
130,000	Total Investments	130,000	130,000	130,000	130,000	130,000	130,000	130,000
	Non-current Assets							
2,927,708	Fixed assets	3,437,709	4,057,210	4,676,711	4,967,711	4,967,711	4,860,211	4,460,211
	Intangible assets							
	Other non-current assets							
2,927,708	Total Non-current Assets	3,437,709	4,057,210	4,676,711	4,967,711	4,967,711	4,860,211	4,460,211
8,325,511	Total Assets	8,068,939	7,913,679	7,997,929	7,925,511	7,925,511	7,385,511	6,885,512
	Current Liabilities							
180,000	Accounts payable	120,000	200,000	150,000	180,000	180,000	150,000	150,000
350,000	Income in advance	500,000	280,000	410,000	350,000	350,000	350,000	350,000
150,000	Employee entitlements	150,000	150,000	130,000	150,000	150,000	140,000	140,000
200,000	Provisions and accruals	120,000	200,000	130,000	200,000	200,000	200,000	200,000
	Other current liabilities							1,700,000
880,000	Total Current Liabilities	890,000	830,000	820,000	880,000	880,000	840,000	2,540,000
	Non-current Liabilities							
	Shareholder advances							
1,600,000	Other non-current liabilities	1,600,000	1,600,000	1,600,000	1,604,000	1,604,000	1,652,000	
1,600,000	Total Non-current Liabilities	1,600,000	1,600,000	1,600,000	1,604,000	1,604,000	1,652,000	
2,480,000	Total Liabilities	2,490,000	2,430,000	2,420,000	2,484,000	2,484,000	2,492,000	2,540,000
5,845,511	Net Assets	5,578,939	5,483,679	5,577,929	5,441,511	5,441,511	4,893,511	4,345,512

ZEALANDIA - KARORI SANCTUARY TRUST

Accurate forecasting in Y2 and Y3 is not possible under the current levels of uncertainty, but we will manage the business to at least a break-even position.

ok

Check Net Assets = Shareholders Funds

ok

ok

ok

ok

check this

check this

check this

ZEALANDIA - KARORI SANCTUARY TRUST

Accurate forecasting in Y2 and Y3 is not possible under the current levels of uncertainty, but we will manage the business to at least a break-even position.

ZEALANDIA - KARORI SANCTUARY TRUST

Accurate forecasting in Y2 and Y3 is not possible under the current levels of uncertainty, but we will manage the business to at least a break-even position.

WELLINGTON REGIONAL ECONOMIC
DEVELOPMENT AGENCY LIMITED

STATEMENT OF INTENT 2022-2025

WellingtonNZ
MAKING THE WELLINGTON REGION **Wildly Famous**

CONTENTS

1. Mihi
 2. Statement from Chair and Chief Executive
 3. How WellingtonNZ will respond to the Letter of Expectation
 4. Our Strategy 2022-23
 5. Programme of Activities
 6. Key Performance Metrics
 7. Financial Summary
 8. Risks to KPI Achievement
- Appendix 1: Governance and Accounting

In accordance with the Local Government Act 2002, this Statement of Intent (SOI) states the planned activities, intentions and performance measures for the Wellington Regional Economic Development Agency (WREDA) for the next three years. It is written in response to the Shareholders December 2021 Statement of Expectations and covers both WREDA Ltd (WellingtonNZ) and its subsidiary CreativeHQ Ltd.

1. MIHI

E tu noa ana ngā maunga whakahi i te rohe whānui o Te Upoko o te Ika a Maui. Mihi atu ana ki ngā iwi, ngā manawhenua o Te Whanganui a Tara, o Te Awakairangi, o Wairarapa, o Kāpiti, o Porirua hoki.

Ngā mihi hoki ki ngā iti, ki ngā rahi e noho ana i ngā takiwā nei. Koutou hoki ngā taurahere me te hunga o te Moana Nui a Kiwa.

Rātou te hunga mate, kua poto ki tua o te ārai, e moe, okioki e.

Te hunga ora e kawē ana ngā ahi kā, me te kaupapa toi, te auaha pai me te whai rawa o Te Upoko o te Ika, tēnā koutou katoa.

The many mountains of Te Upoko o te Ika a Maui (from Head of the Fish of Maui) stand proud.

We acknowledge the mana whenua people of the region, of Wellington, Hutt Valley, Wairarapa, Kāpiti and Porirua.

We acknowledge all peoples and the many communities of the Pacific Islands.

To those that have passed - we acknowledge you in your eternal rest.

To those who maintain the fires of residence, the pursuit of innovation and creativity here in the wider Wellington region, we acknowledge you too.

2. STATEMENT FROM THE CHAIR AND CHIEF EXECUTIVE

Our region has significant strengths, in our history, our topography, our diverse communities, and our status as the Capital city of Aotearoa New Zealand — being the home of many national institutions. Our business community is innovative and future focused. We are the place where politicians, policy makers, scientists, entrepreneurs, activists, academics and artists rub shoulders every day. A place of ideas, curiosity, diversity and debate.

But we are living in challenging times, and there are issues to address. Not everyone in our region has been able to benefit in the opportunities created by our growing economy and there is work to do to ensure wider participation. Our infrastructure and housing challenges have been well publicised and, importantly, the war for talent is heating up both within New Zealand and internationally. To address the challenges of Covid, climate and housing, we need much closer collaboration between the cities of our region, the business sector, our education providers and our research and science institutions.

The Wellington region and its communities have demonstrated their resilience in responding to these challenges. There is a real basis for optimism as we look to the future. We have all the ingredients for a thriving low carbon, connected community. We now need the confidence to deliver it. Together we will need to be aligned, courageous and willing to embrace change to take advantage of the opportunities ahead. Importantly our future will embrace Te Tiriti and the aspirations of our Māori and Pasifika communities to grow businesses, create jobs and tell their stories. We will be deepening our capability and confidence in te ao Māori to enable us to support them in achieving this.

This SOI reflects the challenges and opportunities of this moment in time. We are confident but realistic – recognising the progress that has been made already across the region, including the reinvigoration of Wellington City with Tākina, the St James Theatre, the Town Hall all coming on stream in the 3-year period covered by this SOI, as well as regional initiatives such as the Lane Street Studio development in Upper Hutt and the significant construction activity in Porirua, the Hutt Valley and the Wairarapa.

WellingtonNZ is a small group of passionate and committed Wellingtonians. Our objective is to help create a thriving regional community and economy from which more people benefit, and a vibrant connected region in which talented people choose to live, work, and visit. Much of the money we get from our shareholders and partners is tagged to specific projects or required to pay our operating costs. It is not possible to do everything.

This SOI therefore reflects the priorities of our shareholders as expressed in the Letter of Expectation, aligned to the strategic direction we have been charting.

These might be challenging times but, together with our partners, we are up for the challenge.

Tracey Bridges
Chair of the Board

John Allen
Chief Executive

3. HOW WELLINGTONNZ WILL RESPOND TO THE LETTER OF EXPECTATION

WHO WE ARE

WellingtonNZ is the Wellington region's economic development and promotions agency. We are a Council Controlled Organisation (CCO) with our shareholders being Wellington City Council (WCC – 80%) and Greater Wellington Regional Council (GWRC – 20%). We are governed by an independent Board of Directors who are appointed by the shareholders. WellingtonNZ is responsible to its two shareholders. We also report regularly to the Regional Leadership Committee which oversees the implementation of the Regional Economic Development Plan.

Funding for WellingtonNZ activities comes from the two shareholding councils, from central government agencies who contract WellingtonNZ to perform specific services, and from a range of private sector partners.

WellingtonNZ is also the owner of a subsidiary company, CreativeHQ Ltd. CreativeHQ provides business incubation, acceleration and innovation services. CreativeHQ has its own independent Board, including a WellingtonNZ Director and the WellingtonNZ CEO.

OUR PURPOSE

Our vision is that **the Wellington regional economy is thriving, with more people participating in the benefits**. This means more opportunities for people – to study, work and enjoy and participate in all that the region has to offer.

To contribute to this vision, our primary purpose is **to make the Wellington region wildly famous as a place to live, work, visit, study, and invest**. This purpose reflects our central role in placemaking and storytelling, and in attracting people to our region, as the best place in New Zealand to experience, host an event, start and sustain a business, make a film, study, migrate to or invest in. By working to make our region wildly famous for its opportunities and experiences we create a platform for the region to prosper – both economically but also in terms of vibrancy, livability and inclusiveness. We attract people and investment by telling the stories of this place, and actively promoting it, to domestic and international audiences. We invest in events which bring visitors to our region. In addition, with a wide range of partners (our shareholders, central government, local businesses, universities and education providers, and our subsidiary CreativeHQ) we invest in and support initiatives to create jobs and retain and develop the enormous talent in our region.

We believe that the region – which includes Kāpiti, Porirua, the Hutt Valley, Wairarapa and Wellington city - is greater than the sum of its parts and that by working to develop and tell a compelling and unifying regional story, we amplify the potential of this place.

We have identified three focus areas, to support this kaupapa and to reflect the expectations of our shareholders:

- **Jobs for the future** - Support businesses to grow, innovate and meet future workforce needs
- **Placemaking** - Enhance Wellington's reputation as New Zealand's creative heart
- **Collaboration and Engagement** - Working in partnership to support investment in the region

These focus areas create the strategic framework within which we meet the objectives of our shareholders, and make the most of the investment available to us, on behalf of our communities.

HOW WE CONTRIBUTE TO THE GOALS OF OUR SHAREHOLDERS

In their Letter of Expectations, our shareholders set out several priorities and goals. In this section we note how our work contributes to those.

Our success depends on making this region wildly famous as a place to live, work, visit, study and invest. This requires us to support our shareholders in their initiatives to ensure functioning infrastructure, affordable housing, fit for purpose creative and cultural spaces and efficient and effective public transport. We provide this support by leading and participating in strategy development, and through our advocacy for the importance of this investment to both funders and the people of our region.

The Letter of Expectations also notes the importance of the creative sector to our city and region, and we note the role we play in supporting this sector who do so much to generate the vibe of our Capital city. Our venues provide the spaces for artists to showcase their talents to our diverse population, and we continue to work to ensure that they are fit for purpose and support a wide variety of cultural community, business and sporting events.

We recognise the need to improve the economic outcomes for Māori and Pasifika. Much of our work is focused on this, including supporting opportunities for rangatahi to explore careers in film or entrepreneurship and working with mana whenua to enable them to deliver the goals they have set for themselves and their communities.

We are also working to deliver a low carbon economy across the region by supporting businesses developing new technologies to help people change their behaviour and implementing changes in our own business to improve our sustainability performance.

The Wellington region is diverse. This diversity gives us strength. WellingtonNZ recognizes, respects, and celebrates members of our rainbow community. We support them and we recognise the very significant contribution they make to our region. We are also working through our Diversity & Inclusion Committee to make our working environment welcoming and supportive of all our people, including our LGBTI+ employees.

The relationship with our shareholders is critical to our success. We have an open and high trust relationship which works on a "no surprises" basis and actively discuss risks to the achievement of our plan and how we might mitigate these.

How we will meet the specific requirements outlined in the Letter of Expectation .

1. Placemaking — marketing the city as a destination for visitors, migrants, investors and students

This is a core responsibility of WellingtonNZ. We have a range of programmes in development which build on our existing successful platforms: Wild Weekends, Imagine This, and event specific marketing initiatives. Wellington remains an attractive destination for many. The Destination Management Plans provide guidance to us and Councils around the region to develop new tourism product and experiences that will enable storytelling about this remarkable place and the many attractions it offers to those who want to visit, study, work or live. Our ambition over the term of this SOI is to extend the visitor nights spent in the region which will make a significant difference for tourism, hospitality and retail businesses across our region.

2. Attracting Australian Visitors

The reopening of the Australian market is a particular area of focus for our Marketing Team in relation to both tourists, business event delegates and talent. We are planning campaigns (including our Welcome Matt campaign) as the border opens to Australian visitors and tourists, we will continue an active digital campaign to targeted segments of the Australian market to maintain awareness of the Wellington Region's attractions in the minds of Australians. We are partnering with TourismNZ, Wellington Airport and a range of tourism, accommodation, and hospitality businesses in this work.

3. Working on Covid Recovery

Covid recovery is a major focus for WellingtonNZ, and our marketing and business support teams are both engaged daily in supporting local business – particularly in the hard-hit tourism, hospitality, accommodation and (in some places) retail sectors. As well as the marketing campaigns described above, our work has involved funding support to enable businesses to secure important professional advice to help them respond to the Covid challenge, advocacy and storytelling to attract talent and domestic visitors and importantly securing and supporting major events to bring people to the region. This work continues, and we are working with central government partners to adapt this funding so it can be more responsive to business needs.

4. Supporting our ambitious climate goals

Climate change and sustainability are the focus of much of our work across the region. It features strongly in the REDP whether in potential projects dealing with water storage and land use change, in work to drive “weightless” exports through our technology sector, or in efforts to reduce carbon in manufacturing and construction through advanced manufacturing the application of new technologies. We are also continuing to support and grow companies like Mevo, CoGo and others which are helping people change their behavior to reduce their personal carbon footprint.

5. Commitment to Te Matarau a Maui

WellingtonNZ is working closely with Te Matarau a Maui to identify initiatives that will enable Māori Business growth and ensure they are included in the Regional Economic Development Plan. We expect to resource and lead the implementation of at least one of these major projects in the 2022/23 financial year. They include the exciting Porirua Adventure Park development with Ngāti Toa and a range of initiatives to grow the entrepreneurial capabilities of young Māori and Pasifika across our region.

6. Supporting our dynamic business community

This is a critical component of our strategy – which specifically recognises the need for a focus on jobs and skills as we look to the future. Our work will include:

- A range of initiatives focused on making Wellington an International Centre of Excellence for Green Technology and positioning us in the top 50 in the Global Innovative Cities Index.
- Telling the stories of Wellington business to attract and retain talent. This builds on the successful *Imagine This* Podcast
- Reimagining our local marketing activity – the Love Local campaign was hugely successful in supporting businesses through the initial period of the Covid pandemic. This approach will be reimagined for the current (and anticipated future) environment.
- CreativeHQ; through our subsidiary, CreativeHQ we are working to significantly increase the number of start-ups based in Wellington region. This will see a strengthened incubation and acceleration

service as well as investment in collaborative working spaces (specifically recognised as important in our reality completed screen sector) and advocated by many in the tech community.

7. Supporting the success of Tākina

WellingtonNZ recognises the significant opportunity our new Convention and Exhibition Centre represents for the region. We are actively supporting the success of this critical initiative through the secondment of our Business Events team to lead the sales process and the provision of marketing support. We are working closely with the City Council, Te Papa and Tākina Events to maximise the opportunity that Business events and large-scale exhibitions represent for our region. We understand that there are a complex set of relationships and responsibilities that need to work smoothly if Tākina is to deliver the results expected. We are committed to making this happen but recognise that it is likely to take time for them to settle into an effective working model, and we are committed to supporting that process actively.

8. Operating Venues which work for Wellington

We recognise the importance of our Venues in delivering entertainment, cultural, sporting, business and community events for local residents and visitors – generating economic, social and cultural benefits to Wellington. We have started on a number of capital programmes to enable our venues to support a wider range of programming – particularly music – and to make them accessible to a greater proportion of our citizens. This work, which is occurring alongside major projects such as the St James Theatre and Town Hall strengthening, will enhance our venues and make them fit for purpose to meet the ambitions of the city's Aho Tini and economic wellbeing strategies.

9. An Economic Development action plan for our region

This is a significant project which is progressing well. We expect it to be completed around the end of the 2021/22 financial year, with a focus on the identification of 20-40 projects which can augment strategies already being advanced by the Territorial Authorities across our region. The objective of the plan is to align activity across the region and, importantly, secure central Government support and funding for these larger scale projects which can drive our economic progress. We are leading this work in partnership with GWRC.

10. Developing integrated Visitor Experiences

We recognise the importance of the Cable Car as an integral visitor attraction (and important public transport option for residents). We will work with the Cable Car, other CCOs and businesses to further explore options for an integrated tourism product offering at its Kelburn terminus with links to encourage tourists to visit more of the diverse range of attractions across the city.

11. Economic Wellbeing Strategy

WellingtonNZ will work with Wellington City Council to refine and implement actions in the city's Economic Wellbeing Strategy, ensuring alignment with the Regional Economic Development Plan.

4. OUR STRATEGY FOR 2022-23

MISSION Make the Wellington region wildly famous		
VISION The Wellington regional economy is thriving with more people participating in the benefits		
MORE Businesses succeeding and employing more people	MORE Locals and visitors participating in events and experiences	MORE Collaboration and investment across the region
JOBS FOR THE FUTURE	PLACEMAKING	COLLABORATION & ENGAGEMENT
Support businesses to grow, innovate and meet future workforce needs.	Enhance Wellington's reputation as New Zealand's creative heart	Work in partnership to support investment in the region to unlock opportunities

Our Board, at its meeting of 16 February 2022, reconfirmed our strategic framework mission, vision, and areas of focus, in the context of the shareholders' Letter of Expectations. Our success in all areas relies on our central Placemaking pou.

In addition to the particular activities outlined in the section above, we note the following aspects of our strategy and approach for the coming year:

Placemaking

Placemaking involves exciting people about the opportunities and experiences which are available across this region and attracting them to visit, study, work, invest and live here. We do this by telling the stories of this place in innovative ways and by delivering campaigns which reflect the personality of Wellington and achieve impact in highly competitive markets.

This includes stories of our businesses — particularly our tech sector (which incorporates screen, gaming, software as a service and advanced manufacturing), which has high growth potential, high paying jobs, weightless export orientation and attractiveness to our young people from across all demographics.

We will continue to champion our resident artists and arts organisations who contribute so much to the vibe, energy and livability of our region. Major Events continue play a key role in placemaking efforts, attracting people to our region. We have an exciting line-up of events and exhibitions in store and, subject to border realities, are confident we will be able to fill the stadium and our venues across the city including Tākina when it opens in 2023 with sports and music fans and lovers of the Arts and exhibitions.

Jobs for the future

Our regional growth framework anticipates growth of 100,000 jobs over the next 30 years. Contributing to the delivery of these is a key component of our strategy. We believe the broad technology sector, supported by our Universities and CRIs will deliver a lot of these. The Government, Professional Service sector, and Construction continue to be critical to the regional economy (and indeed underpin its resilience in the face of Covid) with WellingtonNZ and its shareholders having less influence over their growth than we do with tech.

We will be using our subsidiary CreativeHQ to lead many of our business growth initiatives, with our involvement with the Regional Business Partner Scheme and our marketing capability also leveraged to develop attract and retain the talent. Under the RBP scheme (which is currently being re-tendered) we work with hundreds of businesses across our Region and are looking to add even more value to these important relationships.

In addition, we will continue to support the implementation of Major Projects identified in the Destination Management Plans, the Regional Economic Development Plan and the Regional Screen Strategy. These projects will be important contributors to economic growth across our region.

Collaboration and engagement

To deliver the impact the region needs we need to work in partnership with others; Mana Whenua, Territorial Authorities, Central Government, Businesses and Arts institutions are all important. The strengthening of these relationships will be a key feature of our work during this SOI period.

We recognise the critical importance of the region's commitment to Te Tiriti and to the task of improving economic outcomes for Māori and Pasifika. A key component of this is supporting Mana Whenua to determine and deliver outcomes that deliver to their current and future ambitions. We will be strengthening our capacity and capability to support these ambitions, which we share.

We will also be continuing our work to support the sustainability objectives of shareholders whether by reducing the waste that goes to landfill from our venues, supporting businesses developing new technologies to help deliver a zero carbon future, or working with our tourist businesses to help them become more sustainable while highlighting the extraordinary attractions including Zealandia and East by West Ferries, that were conceived and built here and speak to our regional commitment to these outcomes.

The following section spells out in detail our work in these areas during the period of this Statement of Intent.

5. PROGRAMME OF ACTIVITY

PLACEMAKING

Objective: Enhance Wellington as New Zealand's creative heart — driving more locals and visitors to participate in events and experiences, and drive visitation into local businesses and attractions.

Programme	Overview
Major Events	<p>WellingtonNZ continues to support and invest in Major Events for Wellington City, taking a portfolio approach to generate economic, brand and social benefits. Over the coming period, we will utilise this investment in Major Events to attract events to Wellington in support of City's economic wellbeing outcomes. A successful calendar of Major Events will be key to the economic and cultural bounce back of the city post Covid, engaging locals and visitors alike.</p> <p>In this SOI period our WellingtonNZ Major Events team will also administer and monitor the Wellington Regional Events Fund. The fund will focus on securing events for the Wellington region that will drive domestic visitation to the region, increasing domestic tourism.</p>
Australian Visitation	<p>Covid-19 has reduced our activity in Australia. With the latest border announcement, this has changed. With friends and whānau expected to return first (without need of prompting), our next immediate focus will be on the east coast audience through a range of channels and marketing tactics. Continuing to work closely with partners including TNZ, Air NZ and Wellington Airport in this, ongoing marketing will be tailored around the tourism space's settling into the new normal, considering government policy, the evolving traveller mindsets and behaviours, flight routes, and competition across markets.</p>
Domestic Visitation	<p>WellingtonNZ's marketing efforts will continue to support and promote the region's strengths in world-class experiences, creativity, innovation, nature and culture — driving ticket sales, hotel bookings, spend in the city, and a wider, positive national conversation around what a visit in the region can be. We know from recent data that short visits are driven by family, major events, food & culture and access to nature. People expect something different from Wellington, which is one of our major draws, so our marketing and communications activity should reflect this spirit for zigging when others zag. As with all of our work in this space, people and storytelling will remain a central tenet of our placemaking activities.</p>

Talent Attraction and Retention	<p>There are many challenges facing Wellington in attracting and retaining the talent we need to grow and be sustained as a city and region. With strong domestic and international workforce competition, coupled with inflation, the effects of COVID-19 and a global shift in travel and work behaviour, we need to think and act differently in our marketing activity and the how businesses approach their workforce needs. We aim to use real successes to showcase the opportunities and tactics in the region, to better reach people across locations, experience levels, and industries. This is not limited to marketing but through our business growth team and more direct capability building. All placemaking, we consider our visitation marketing activity to be work that supports this talent drive, and vice versa.</p>
Investment attraction	<p>Attracting and facilitating investment that will support business attraction, retention and growth, to drive job opportunities and economic growth across the region.</p>
Venues Wellington	<p>WellingtonNZ will continue to manage the operation of the Wellington city entertainment venues under the Venues Wellington brand – including sales, event operations, customer experience and facilities management.</p> <p>Providing an opportunity to set clear strategic objectives for the Venues Wellington business, Tākina’s opening in 2023 will follow the reopening of the St James in 2022. Shifting the mix of content to a greater emphasis on performance and entertainment events, we will continue to plan and implement models to drive the desired content, providing a high-quality entertainment offering that makes Wellington and its venues an attractive proposition for current and potential residents.</p> <p>Over this SOI period we will continue to work with WCC to drive investment in our civic venues, including the redevelopment of venues, to ensure they are fit for purpose and meet changing audience trends and expectations.</p>
UNESCO City of Film	<p>In 2019 Wellington was named a UNESCO City of Film. WellingtonNZ is the lead agency in coordinating leveraging this accolade through storytelling and working with the screen industry, and local and central government. The programme aims to contribute to a more vibrant, sustainable and inclusive screen sector and city by uplifting and giving voice and pathways to new, diverse talent.</p>
Wellington Regional Trails Framework	<p>WellingtonNZ will continue to lead the support and growth of Regional Trails Framework, promoting the world-class Trails across the region under the Find Your Wild brand and through wider WellingtonNZ content and media channels. This work is a key element of our collaboration with regional partners and local businesses located close to trails.</p>

JOBS FOR THE FUTURE

Objective: Support businesses to grow, innovate and meet future workforce needs, to ensure more businesses are succeeding and employing more people.

Programme	Overview
Maori Economic Development and Business Support	<p>Our work in 2022 and beyond will have a greater focus on supporting the growth of Māori businesses and entrepreneurs. We currently have a dedicated resource supporting Māori businesses through the Regional Business Partnership Program. We are engaging with Te Matarau A Māui and local Iwi to capture the initiatives they have designed to promote Māori business enablement and include these in the Regional Economic Development Plan. Our goal is for WellingtonNZ to resource and lead the implementation of at least one of these major projects commencing in the 2022/23 financial year. Additionally, we are actively supporting Māori Tourism projects such as Te Aro Pā revitalisation and the Porirua Adventure Park.</p>
Wellington Regional Economic Development Plan	<p>The development of the Regional Economic Development plan, led by WellingtonNZ, is governed by the Regional Leadership committee which is made up of mayors from each of the local authorities and Horowhenua District Council, mana whenua partners, central government ministers and representatives of WellingtonNZ.</p> <p>The objective of this definitive plan is to guide the long-term economic direction of the Wellington Region in line with the Regional Growth Framework; to support the creation of 100,000 jobs, promote equity, and improve quality of life for our people. The document is due to be delivered in mid 2022 and will contain an action list of up to 40 recommended initiatives that have been assessed using the PRISM framework.</p>
Intern Programmes and Pathways to Employment	<p>Reflecting our involvement with the Regional Skills Leadership Group, we will continue to support programmes that are targeted at providing intern opportunities for students and create pathways to full employment. Currently supporting the Summer of Tech and Young Enterprise programmes we will be considering ways that we can continue to grow the scale of our impact in this space to make a direct impact on workforce needs in the region.</p>
Creative HQ – Incubation Services and Innovation Ecosystem Support	<p>CreativeHQ is a vital asset that enables WellingtonNZ to support and grow the region’s start-up and entrepreneurial activity. To sustain and grow their capability and the industries they engage with, we are supporting business incubation and corporate (and Government) innovation. We want to see a dramatic rise in the number of business start-ups in the region and the range of support available to founders as they scale their businesses.</p>

Tech Sector

We are actively engaging with a wide range of stakeholders to develop a more robust technology and innovation strategy for Wellington. This work will feed into the Regional Economic Development Plan and will result in a number of key initiatives to make Wellington a truly future focused region.

Our initial goal is for Wellington to be ranked as a top 50 city for innovation in the Global Innovation Cities Index (currently ranked at 120). The key metrics our initiatives will seek to influence include:

- Increase quantity of start-up companies
- Increase venture capital invested in the region
- Increase number of per capita jobs in the science and technology sector
- Decrease carbon emissions of Wellington businesses

It's important to note that our tech sector strategy is still to be costed and confirmed. It is likely that our work will include:

- A capability building program for senior leaders in our fastest growing companies
 - A campaign designed to attract top executive level talent to the region
 - A focus on growing the sustainable technology sector
 - An innovation hub to improve collaboration between businesses and to increase the visibility of the tech sector in Wellington
 - Ongoing support for CreativeHQ and other programs that promote entrepreneurship and careers in technology
-

Wellington Convention Bureau – currently on secondment to Wellington City Council

With Tākina – the new Wellington Convention and Exhibition Centre - coming on-stream in mid-2023, Business Events will play an increasingly important role in the Wellington economy, bringing high value visitors to the city. With a near term focus on attracting conferences and business events locally, nationally and trans-Tasman, we are also creating a strong international pipeline for when international travel starts again. WellingtonNZ has seconded its Business Events team to WCC to ensure that they can prepare for a successful opening of Tākina, WellingtonNZ will continue to support this work through marketing and communications — recognising that Tākina's success will be the region's, bringing significant economic benefits to the City.

Wellington Regional Destination Plan

A key placemaking piece, the recently released 'Destination Poneke' destination management plan was developed after consultation with communities and with stakeholders across the tourism industry. Setting a clear vision for Wellington to be a zero-carbon capital famous for transformational experiences, our goal is to enrich visitors' time here, create sustainable Wellington businesses, and to keep Wellington front of mind as somewhere people want to live, work and visit. These aspirations are also captured in the broader Regional Destination Plan and the Regional Economic Development Plan and clearly articulate tourism priorities for the future. With the plan delivered, the focus now switches to activating key projects.

Supporting Wellington businesses to reactivate

We will continue to lead a programme of promotions and activations to help businesses get back on their feet and rebuild consumer confidence in a welcoming, safe and creatively Wellington way; including people-first business storytelling, enhanced support and collaboration, and domestic visitation campaigns.

COLLABORATION AND ENGAGEMENT

Objective: Work in partnership to support investment in the region to unlock the best outcomes and opportunities for all.

Programme	Overview
Mana Whenua Partnerships	We will continue to deepen relationships with mana whenua to ensure our work supports their goals and we're working in partnership to deliver for the people of this region.
Regional Infrastructure and Economic Development Projects	We will continue to work with and support local TA (Territorial Authority) Economic Development teams on the execution of their Economic Development strategies, within the context of our wider regional mandate. We are actively working with TAs to ensure we are reflecting their priorities and requirements in our work programmes, identifying specific projects in individual TAs that we can support. We are also exploring different resourcing models to make our support across the region more visible and effective.
Regional Workforce and Skills Development	A considerable emphasis is being placed by the Government on regional development, supported by significant funding for critical infrastructure projects and a focus on skills development. WellingtonNZ is actively involved in the Regional Skills Leadership Group and will help develop specific proposals as priorities are determined. A particular area of focus will be supporting Mana Whenua and Pasifika communities with skills development programmes for their rangatahi.
The Creative Sector	<p>Our team at Screen Wellington continue to promote film and gaming projects as an integral part of wider creative sector growth. We are in the final stages of developing a 2030 Screen Strategy which identifies the size of the economic opportunity in these areas, and the initiatives that will best support the sector. Again, our objective is to align this work with the Regional Economic Development Plan to determine one or two major initiatives that will best serve the creative sector more broadly (including arts, literature, theatre). These initiatives will form the focus of our work from mid 2022.</p> <p>In addition, our team continue to run film permitting for the region and lead UNESCO City of Film initiatives. Wellington UNESCO City of Film contributes to a more vibrant, sustainable and inclusive screen sector and city and elevates and promote Māori stories and storytellers particularly mana whenua and stories of the Wellington region.</p>

6. PERFORMANCE METRICS

In recent years, WellingtonNZ has reviewed its performance framework with the aim of:

- Reducing the number of metrics;
- Ensuring metrics are linked to factors which WellingtonNZ can control and which measures WellingtonNZ’s direct impact;
- Measuring outcomes not just outputs;
- Providing greater clarity on the region’s return on investment.

This remains challenging given the range of activities undertaken by WellingtonNZ and the varying levels of influence that WellingtonNZ has over ultimate outcomes. The impact of COVID-19 further complicated the situation, which has made both existing benchmarks less relevant and forecasting targets in an uncertain future very challenging.

For this reason, we continue to adjust to our performance measures to ensure we have a set of performance measures that best represents WellingtonNZ’s activities and programmes but also make sure we are keeping consistency and keeping the metrics to a small set.

Note that in addition to these headline measures we will continue to measure a range of operational metrics including those that relate directly to our WCC, Major Events and Venues Wellington funding (aligned to the expectations of the Funding Agreements).

Key Headline Performance Indicators

KPI	Explanation	2021/22 Forecast	2022/23 Target
JOBS FOR THE FUTURE			
KPI 1: Direct economic impact of WellingtonNZ’s activities and interventions	This is a measure we introduced in 2019/20. It is designed to provide a dollar value indication of the impact of WellingtonNZ activities by collating the value of those activities that we directly influence and impact (where we have data to support that).	\$ 75 million	\$130 million
KPI 2: Number of businesses engaged by a WellingtonNZ intervention or programme	This is a measure we introduced in 2019/20. It is designed to provide an indication of the number of businesses that we have directly impacted on by either being part of a WellingtonNZ programme or a direct WellingtonNZ activity or intervention	2,200	2,200

KPI	Explanation	2021/22 Forecast	2022/23 Target
JOBS FOR THE FUTURE			
KPI 3: Equivalent Advertising Value (EAV) from media activity	<p>This is a measure we introduced in 2019/20. A key activity for WellingtonNZ is creating external stories and media content.</p> <p>Equivalent Advertising Value (EAV) is an accepted industry estimate of the value of media coverage that results from public relations and media activity. EAV is based on the equivalent cost to purchase the same reach and coverage results. This is a combination of TNZ (International media EAV) and Domestic Media</p>	\$12.5 million	\$20 million
KPI 4: Value of expenditure generated from events (including business, performance, and major events)	<p>Currently we measure out of region spend events at both Wellington city venues (covering both performance and business events) and Major Events. It is calculated using agreed methodology that is consistent across New Zealand. In light of Covid-19 and an increased domestic focus, we will measure the local audience at events to reflect the full impact.</p>	\$30 million	\$75M (depending on Covid alert levels and viability of events)
The number of Wellington Region residents that attend events		150,000	500,000 (depending on Covid alert levels and viability of events)
COLLABORATION & ENGAGEMENT			
KPI 5: Stakeholder engagement	<p>This is a measure of the engagement we have with our wide and varied stakeholders, and the quality of those relationships.</p>	80%	90%

In addition to the above we have 3 key internal facing KPIs:

KPI	Explanation	2021/22 Forecast	2022/23 Target
KPI 1: Financial Management	Budget on track – income, expenditure and surplus.	To Target	To Target
KPI 2: Funding Diversification	% of revenue from commercial/non council funding and commercial activity (combined WELLINGTONNZ and CHQ)	30%	32%
KPI3: Employee Engagement	As measured by our CultureAmp employee surveys	68%	70%

Indirect Measures of Impact

We will continue to measure, monitor, and report on a range of metrics which indicate how the region is performing in key areas of WellingtonNZ interest, but for which WellingtonNZ only has a partial or no direct impact. These include measures that are specifically requested as part of the WCC funding agreements.

Measure	2021/22 Forecast		2022/23 Target	
International Arrivals through Wellington International Airport	International	17,500	International	100,000
	Australian	17,000	Australia	120,000
Visitor spend (Domestic & Other)	Domestic	\$800m	Domestic	\$900m
	Other	\$100m	Other	\$180m*
Total Visitors' nights to our Wellington Region	1,500,000		2,400,000	
Share of multi-day conferences reported in the Wellington Region	21%		22%	

**Border settings are constantly changing at the time of SOI target settings, current target has been based on border decisions as of 1 March 2022. Target will be impacted if further border decisions are made.*

We will also continue to collect and share data on the performance of the Wellington region including, but not limited to:

Population Growth due to migration to Wellington Region	1,330	2,500
Wellington Region GDP	3%	2.5%
Number of Filled Jobs in our Region	260,000	270,000
Number on Jobseeker Support benefit – Work Ready	12,000	11,500
Mean Annual Earnings of people in employment in the Wellington region	Workforce \$73,736	Workforce \$76,169

**WellingtonNZ will ensure that comparative (historical) figures are included in the company's reporting on its performance framework.*

Notes and Sources

Direct Measures

1. This is calculated from assessing the contribution of the value of business events attracted, the screen permits, value of redemptions for retail and hospitality promotions, the value of capability vouchers distributed, the value of R&D grants distributed, out of region expenditure at events, the value of spend from WellingtonNZ hosted programme activity, the value of sales generated through i-SITE pay and display, the value of sales made in the i-SITE for Wellington businesses, the contribution of non local government funding to the activity of WellingtonNZ, the equivalent advertising value for marketing and promotions activity, CreativeHQ, the spend of visitors generated as a result of WellingtonNZ promotional and marketing activity.
2. This number is calculated by aggregating the number of businesses who have received support from WellingtonNZ's programme and activities including, businesses who participated in Visa Wellington on a Plate (Producers, Breweries and Restaurants), WellingtonNZ partners who have formal partnerships with WellingtonNZ on programmes of work during the year (tourism, marketing, events and business partners), start-up businesses who WellingtonNZ provide professional capability building advice to, businesses who have benefited from featuring in WellingtonNZ promotional and marketing activities such as Wellington Unlocked, and Advent Calendar, businesses who have received support through WellingtonNZ's workforce and business support programme (such as Summer of Tech/Summer of Biz, Regional Business Partner programme and Pop up Business School).

3. Equivalent Advertising Value (EAV) is an accepted industry estimate of the value of media coverage that results from public relations and media activity. EAV is based on the equivalent cost to purchase the same reach coverage results. This is a combination of TNZ (International media EAV) and Domestic Media
4. The combined value of new spend in the region from visitors attending events in Venues Wellington and attendance at Major Events for which WellingtonNZ is an investor. It is calculated using agreed methodology that is consistent across New Zealand.

The total number of tickets recorded for major events and events in Venues Wellington that have been sold to residents in Wellington Region.

5. Measure of satisfaction by a range of stakeholders and key business partners. The methodology is an annual survey which captures stakeholders level of satisfaction with the quality of engagement with WellingtonNZ.
6. Financial profit and loss performance to within budget as monitored and reported on a monthly basis by our finance team
7. Measure of the percentage of revenue/income that comes from non-council shareholder funding across WELLINGTONNZ and CHQ
8. Measure of engagement from WELLINGTONNZ's annual Culture Amp engagement survey

Indirect Measures

1. International Visitors Arrival – StatsNZ
2. Tourism Electronic Card Transactions (TECTs) – Ministry of Business Innovation and Employment
3. Accommodation Data Programme – Ministry of Business Innovation and Employment and Fresh Info.
4. Business Events Research Programme – Industry Partnership
5. Population Growth Data on Net Migration to Wellington Region – Infometrics
6. Wellington Regional GDP value – Infometrics
7. Monthly Employment Indicators – StatsNZ
8. Number on Jobseeker Support Benefits – Workready – Ministry of Social Development
9. Earnings for people in paid employment by region, sex, age groups and ethnic groups table – StatsNZ

7. FINANCIAL SUMMARY

STATEMENT OF FINANCIAL PERFORMANCE			
	2022/23	2023/24	2024/25
REVENUE			
Revenue from Shareholders	18,729,637	19,666,119	20,649,425
Other Revenue	12,922,387	13,568,506	14,246,932
TOTAL REVENUE	31,652,024	33,234,625	34,896,357
EXPENDITURE			
Personnel Costs	13,468,000	13,939,380	14,724,865
Investment in Projects and Events	15,634,108	16,616,330	17,279,576
Other Expenditure	2,449,916	2,578,916	2,791,916
TOTAL EXPENDITURE	31,552,024	33,134,625	34,796,357
SURPLUS	100,000	100,000	100,000

STATEMENT OF FINANCIAL POSITION

	2022/23	2023/24	2024/25
SHAREHOLDER FUNDS	3,749,361	3,849,361	3,949,361
ASSETS			
Current Assets	5,607,040	5,919,907	5,996,605
Investments	1,437,024	1,437,024	1,437,024
Other Non Current Assets	800,000	898,793	890,388
TOTAL ASSETS	7,844,064	8,255,724	8,324,017
CURRENT LIABILITIES	4,094,703	4,406,363	4,374,656
NET ASSETS	3,749,361	3,849,361	3,949,361

STATEMENT OF CASHFLOWS

	2022/23	2023/24	2024/25
OPENING CASH	4,500,000	4,600,000	4,700,000
Operating Cash Receipts	31,652,024	33,234,625	34,896,357
Operating Cash Payments	31,552,024	33,134,625	34,796,357
NET CASHFLOW	100,000	100,000	100,000
CLOSING CASH	4,600,000	4,700,000	4,800,000

Notes:

- Financial Summary is a consolidated view (Parent and Subsidiary - CreativeHQ)
- Revenue forecasts from our Shareholders are reflective of funding agreements in place.
- Other Revenue reflects revenue from third parties and commercial activity, and the revenue achieved by CreativeHQ resulting from its commercial activities.
- Investments represents the value of the investments from CreativeHQ in the companies that it incubates and retains a shareholding.

8. RISKS TO KPI ACHIEVEMENT – TO REVIEW AFTER KPI DEVELOPMENT

There are several risks which could impact on the success of WellingtonNZ. Many of these are outside of our direct control, such as the impact of geo-political factors, changes to government policy settings, or macro- economic factors which impact on the economy as a whole (including pandemics and natural disasters).

In terms of being successful in our 3 key areas of focus and achieving our Key Performance Indicators, we note the following specific risks and how these will be mitigated:

Area of Risk	Risk Description	Mitigation
Availability of shareholder and partner funding	Our funding is insufficient to deliver the events, promotions, product development and business support required to ensure we achieve the economic wellbeing benefits we are being tasked to achieve. This risk is increased by current and anticipated cost inflation.	<ul style="list-style-type: none"> • Ensure delivery is in line with partner expectations. • Ensure CPI increases are received for core funding • Maintain a regular schedule of communications with and reporting to partners. • Engage major partners in planning sessions to ensure programmes meet their expectations. • Review partner funding arrangements on a regular basis. • Seek new commercial revenue sources.
Venue Availability and Suitability	That the model we are using to operate our Events business, and the suitability of our Venues is not appropriate to attract the diversity of events required to maintain the vibe of the city and attract visitors/talent to the region	<ul style="list-style-type: none"> • WellingtonNZ will work with WCC to ensure appropriate capex is allocated to renewals within existing venues so that they remain fit for purpose during this period. • WellingtonNZ will work proactively with core hirers to find solutions that meet their needs, both within existing venues and other venues in the city. • WellingtonNZ will communicate proactively with the market on the status of Venues.

Maintaining strong working relationships across the Wellington region	As an organisation that is invested in and works for the whole Wellington region it is critical that WellingtonNZ maintains appropriate stakeholder engagement processes	<ul style="list-style-type: none"> WellingtonNZ will work with both its shareholders and the other Councils within the region in a structured and proactive manner such that both elected officials and officers of these organisations are well informed of WellingtonNZ's programme of activities at all times. WellingtonNZ will participate in appropriate work groups across the Wellington region to support economic development activity.
Access to Government funding	We are unable to access Government funding to support Covid recovery, our arts and innovation sectors and essential infrastructure investment	<ul style="list-style-type: none"> We are working with GWRC and the TAs to develop a regional economic plan and to build the relationships necessary to both align the region around specific priorities and to secure necessary funding. The implementation of projects which this plan identifies (which will be located throughout the region) will be a major focus through the term of this SOI.
Technology sector growth	That we fail to seize the opportunities presented by our screen, VR, gaming and technology sector to grow export oriented businesses of scale	<ul style="list-style-type: none"> We will work across the sector to tell its stories and promote investment and collaboration. We will also work with CreativeHQ, the universities and CRI; and entrepreneurs and provide them with the skills and support necessary to build businesses of scale

In addition to the above, WellingtonNZ has a strategic and operational risk framework which is governed by the Risk and Audit Committee of the WellingtonNZ Board.

APPENDICES:

Appendix 1 - Governance and Accounting

WellingtonNZ is a Council Controlled Organisation as defined by the Local Government Act 2002. WellingtonNZ is owned 80% by the Wellington City Council and 20% by the Greater Wellington Regional Council.

GOVERNANCE BOARD

The Board is responsible for the strategic direction of WREDA's activities. The Board guides and monitors the business and affairs of WREDA, in accordance with the Companies Act 1993 and the Local Government Act 2002, the Company's constitutions and this Statement of Intent.

All current Board directors are independent and appointed by our shareholders. The Board meets 5 to 6 times a year. The Board has 2 sub-committees, Risk and Audit; and People & Culture which meet separately.

SHAREHOLDER GOVERNANCE

REPORTING

By 1 March in each year WellingtonNZ will deliver to the Shareholders its draft **Statement of Intent** for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64 (1) of the Local Government Act 2002.

Having considered any comments from the our Shareholders that are received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

By 31 October and 30 April each year, WellingtonNZ will provide to the Shareholders a **quarterly report**. The quarterly report will include WellingtonNZ's commentary on operations for the relevant quarter and a comparison of WREDA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.

By the end of February each year, WellingtonNZ will provide to the Shareholders a **Half Yearly Report** complying with Section 66 of the Local Government Act 2002.

By the end of September each year, WellingtonNZ will provide to the Shareholders an **Annual Report** on the organisations operations during the year. This will include audited financial statements prepared in accordance with New Zealand Generally Accepted Accounting Practice and that also comply with Public Benefit Entity Standards. The Annual report shall also contain an Auditor's report on both those financial statements and the performance targets and other measures by which performance was judged in relation to that organisation's objectives.

ACCOUNTING POLICIES

WellingtonNZ has adopted accounting policies that are in accordance with New Zealand Generally Accepted Accounting Practices and Public Benefit Entity Standards. The detailed policies are as disclosed in WellingtonNZ's 2021/22 Annual Report.

ACTIONS TRACKING

Kōrero taunaki | Summary of considerations

Purpose

1. This report provides an update on the past actions agreed by the Pūroro Tahua | Finance and Performance Committee at its previous meetings.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

Strategic alignment with priority objective areas from Long-term Plan 2021–2031

- Sustainable, natural eco city
- People friendly, compact, safe and accessible capital city
- Innovative, inclusive and creative city
- Dynamic and sustainable economy
- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient and safe place to live
- Safe, resilient and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

Relevant Previous decisions

Not applicable.

Financial considerations

Nil

Budgetary provision in Annual Plan /
Long-term Plan

Unbudgeted \$X

Risk

Low

Medium

High

Extreme

Author	Emily Deans, Democracy Advisor
Authoriser	Sara Hay, Chief Financial Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That the Pūroro Tahua | Finance and Performance Committee:

1. Receive the information.

Whakarāpopoto | Executive Summary

2. This report lists the dates of previous committee meetings and the items discussed at those meetings.
3. Each clause within the resolution has been considered separately and the following statuses have been assigned:
 - In progress: Resolutions with this status are currently being implemented.
 - Complete: Clauses which have been completed, either by officers subsequent to the meeting, or by the meeting itself (i.e. by receiving or noting information).
4. All actions will be included in the subsequent monthly updates, but completed actions will only appear once.

Takenga mai | Background

5. At the 13 May 2021 Council meeting, the recommendations of the Wellington City Council Governance Review (the Review Report) were endorsed and agreed to be implemented.
6. The purpose of this report is to ensure that all resolutions are being actioned over time. It does not take the place of performance monitoring or full updates. The committee could resolve to receive a full update report on an item if it wishes.

Kōrerorero | Discussion

7. Following feedback, the status system has been changed so that resolutions either show as 'in progress' or 'complete'.
8. Of the 15 resolutions of the Pūroro Tahua | Finance and Performance Committee in May 2022:
 - 14 are complete.
 - One is in progress.
9. Two in progress actions were carried forward from the May action tracking report.
 - Two are still in progress.
10. Note that there were resolutions made in the public excluded portions of the previous Pūroro Tahua | Finance and Performance Committee meetings.
11. For a public excluded resolution, each individual clause will not be reported on in a public meeting. These resolutions have been treated as a whole.
12. Updates on individual clauses of a public excluded resolution can be provided to councillors outside of a formal meeting.
13. Further detail is provided in Attachment One.

Attachments

- Attachment 1. Actions Tracking - June 2022

#	Date	Meeting	Report	Clause	Status	Comment
17	Thursday, 17 June 2021	Pūroro Tahua Finance and Performance Committee	4.1: Chaffers Marina Limited Options	all clauses	In progress	
87	Thursday, 18 November 2021	Pūroro Tahua Finance and Performance Committee	2.8 Te Upoko o Te Ika a Māui Commitment	3)Note that spend targets are yet to be developed and will be brought back to the Committee for approval.	In progress	We are actively working with Mataaho Aronui, Iwi partners & Commercial Partnerships to develop and agree these targets and then will report back to the Committee for approval.
159	Thursday, 19 May 2022	Pūroro Tahua Finance and Performance Committee	2.1 CCO Q3 Report	1. Receive the information.	Complete	The committee formally received the information in the relevant report.
160	Thursday, 19 May 2022	Pūroro Tahua Finance and Performance Committee	2.1 CCO Q3 Report	2. Note the contents of the report.	Complete	The information was formally noted by the committee.
161	Thursday, 19 May 2022	Pūroro Tahua Finance and Performance Committee	2.2 Performance Report Quarter Three 2021/22	1. Received the Quarter Three (Q3) Performance Report on the 2021 Long-term Plan (LTP).	Complete	The committee formally received the information in the relevant report.
162	Thursday, 19 May 2022	Pūroro Tahua Finance and Performance Committee	2.2 Performance Report Quarter Three 2021/22	2. Note the key headlines covered in the summary and in each section of the report.	Complete	The information was formally noted by the committee.
163	Thursday, 19 May 2022	Pūroro Tahua Finance and Performance Committee	2.2 Performance Report Quarter Three 2021/22	3. Note that this report is against the 2021-31 LTP and is aligned with the Corporate Monitoring and Reporting Framework (level 1) and supports the strategic oversight and monitoring role of the LTP by the Finance and Performance Committee.	Complete	The information was formally noted by the committee.
164	Thursday, 19 May 2022	Pūroro Tahua Finance and Performance Committee	2.2 Performance Report Quarter Three 2021/22	4. Note that the report draws upon without duplication, detailed project level monitoring reports to other Committees.	Complete	The information was formally noted by the committee.
165	Thursday, 19 May 2022	Pūroro Tahua Finance and Performance Committee	2.2 Performance Report Quarter Three 2021/22	5. Recommend to Council that the operational (opex) budget for the CCO Covid Response Support be increased by \$600k for 2021/22.	In progress	This will go to the 30th of June Council meeting.
166	Thursday, 19 May 2022	Pūroro Tahua Finance and Performance Committee	2.2 Performance Report Quarter Three 2021/22	6. Note that this additional budget will be debt funded in the current year.	Complete	The information was formally noted by the committee.
167	Thursday, 19 May 2022	Pūroro Tahua Finance and Performance Committee	2.2 Performance Report Quarter Three 2021/22	7. Recommend to Pūroro Maherehere Annual Plan/Long Term Plan Committee to fund the repayment of this debt funded opex through rates in future years, in line with the original CCO Covid Response Support.	Complete	
168	Thursday, 19 May 2022	Pūroro Tahua Finance and Performance Committee	2.2 Performance Report Quarter Three 2021/22	8. Note the following relating to the Cycleways capital (capex) budget: a) The Cobham Drive cycleway project is expected to finish below its allocated budget by \$900k, b) The Miramar cycleway project is expected to exceed its allocated budget by approximately \$650k, c) These two projects relate to the same Activity and the underspend in Cobham Drive project will be used to fund the overspend in the Miramar project, in line with Officer delegation.	Complete	The information was formally noted by the committee.

#	Date	Meeting	Report	Clause	Status	Comment
169	Thursday, 19 May 2022	Pūroro Tahua Finance and Performance Committee	2.3 Health, Safety and Security	1. Receive the information.	Complete	The committee formally received the information in the relevant report.
170	Thursday, 19 May 2022	Pūroro Tahua Finance and Performance Committee	3.1 Report of the Kāwai Māhirahira Audit and Risk Subcommittee Meeting of 3 May 2022: HEALTH, SAFETY AND SECURITY (PERFORMANCE) REPORT	1. Receive the information.	Complete	The committee formally received the information in the relevant report.
171	Thursday, 19 May 2022	Pūroro Tahua Finance and Performance Committee	2.4 Actions Tracking	1. Receive the information.	Complete	The committee formally received the information in the relevant report.
172	Thursday, 19 May 2022	Pūroro Tahua Finance and Performance Committee	2.5 Forward Programme	1. Receive the information.	Complete	The committee formally received the information in the relevant report.
173	Thursday, 19 May 2022	Pūroro Tahua Finance and Performance Committee	4.1 Appointment of Directors to CCOs and CO	all clauses	Complete	

FORWARD PROGRAMME

Kōrero taunaki | Summary of considerations

Purpose

1. This report provides the Forward Programme for the Pūroro Tahua | Finance and Performance Committee for the next two months.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- | | |
|--|---|
| Strategic alignment with priority objective areas from Long-term Plan 2021–2031 | <input type="checkbox"/> Sustainable, natural eco city |
| | <input type="checkbox"/> People friendly, compact, safe and accessible capital city |
| | <input type="checkbox"/> Innovative, inclusive and creative city |
| | <input type="checkbox"/> Dynamic and sustainable economy |
| | <input type="checkbox"/> Functioning, resilient and reliable three waters infrastructure |
| | <input type="checkbox"/> Affordable, resilient and safe place to live |
| | <input type="checkbox"/> Safe, resilient and reliable core transport infrastructure network |
| | <input type="checkbox"/> Fit-for-purpose community, creative and cultural spaces |
| | <input type="checkbox"/> Accelerating zero-carbon and waste-free transition |
| | <input type="checkbox"/> Strong partnerships with mana whenua |

Relevant Previous decisions

Not applicable.

Financial considerations

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Nil | <input type="checkbox"/> Budgetary provision in Annual Plan / Long-term Plan | <input type="checkbox"/> Unbudgeted \$X |
|---|--|---|

Risk

- | | | | |
|---|---------------------------------|-------------------------------|----------------------------------|
| <input checked="" type="checkbox"/> Low | <input type="checkbox"/> Medium | <input type="checkbox"/> High | <input type="checkbox"/> Extreme |
|---|---------------------------------|-------------------------------|----------------------------------|

Author	Emily Deans, Democracy Advisor
Authoriser	Sara Hay, Chief Financial Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That the Pūroro Tahua | Finance and Performance Committee:

- 1) Receive the information.

Whakarāpopoto | Executive Summary

2. The Forward Programme sets out the reports planned for Pūroro Tahua meetings in the next two months that require committee consideration.
3. The Forward Programme is a working document and is subject to change on a regular basis.

Kōrerorero | Discussion

5. Thursday 18 August 2022
 - Monthly Health and Safety Update (Chief People and Culture Officer)
 - Annual Report Draft Statement of Service Provision (Chief Strategy and Governance Officer)
 - Biannual Procurement Strategy Review (Chief Financial Officer)
 - Board Appointments to Wellington Regional Economic Development Agency (Chief Strategy and Governance Officer)
4. Thursday 29th September 2022
 - Monthly Health and Safety Update (Chief People and Culture Officer)
 - Annual Report 2021/22 (Chief Strategy and Governance Officer)

Attachments

Nil

3. Public Excluded

Recommendation

That the Pūroro Tahua | Finance and Performance Committee:

1. 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
3.1 FIFA Football Women's World Cup 2023 Funding	7(2)(b)(ii) The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	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.

