

POSITIVELY WELLINGTON TOURISM ANNUAL REPORT 2005/06 REVIEW

1. Introduction

Positively Wellington Tourism (PWT) has submitted its audited annual report for the year to 30 June 2006.

2. Key Issue

PWT has a surplus this year of \$282,000. This is mainly due to cost savings and delays to campaigns.

3. Performance

a. Financial

Statement of Financial Performance

\$ '000	FY Actual	2004/05 Actual
Income	5,877	5,025
Expenditure	5,594	5,166
Operating surplus	283	(141)

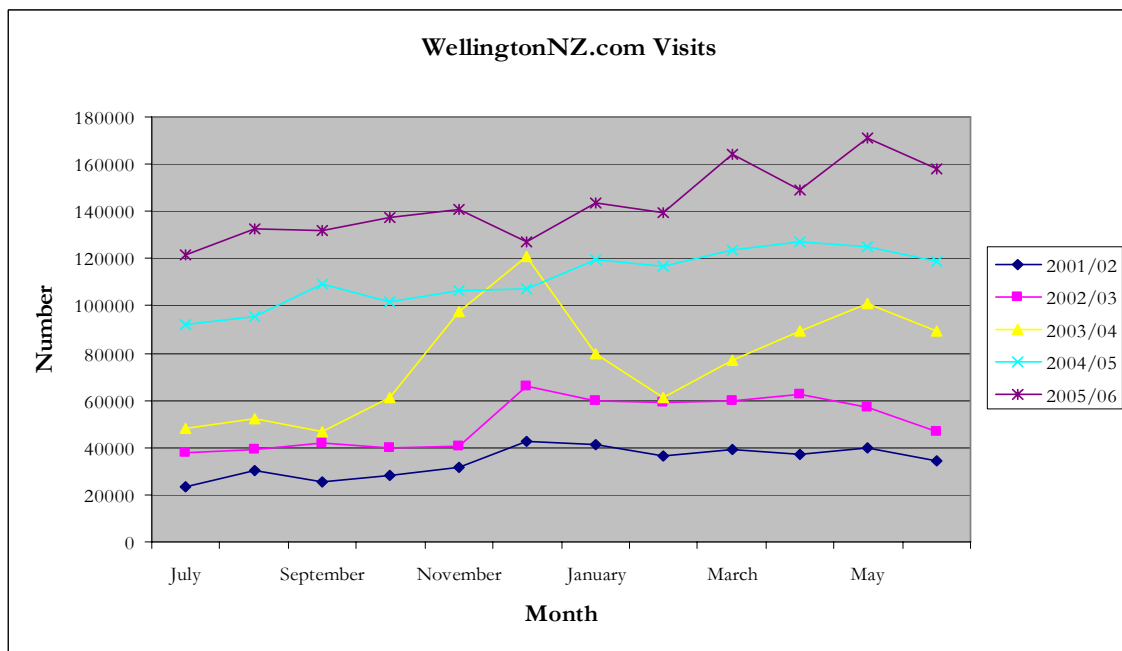
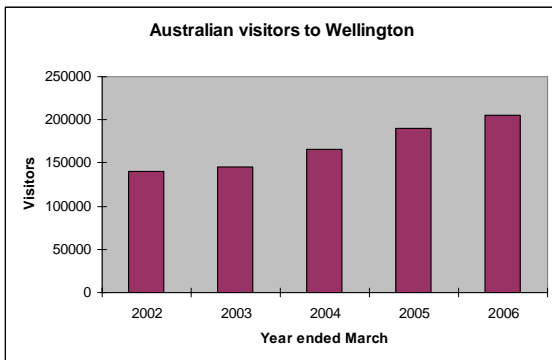
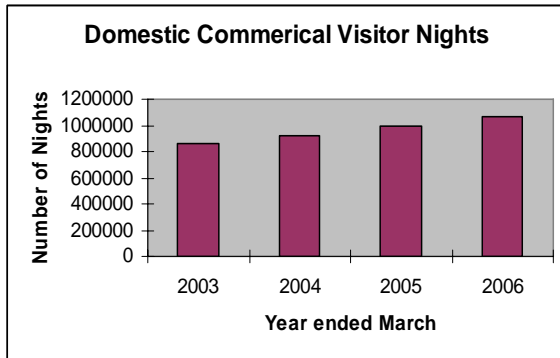
Statement of Financial Position

\$ '000	FY Actual	2004/05 Actual
Current assets	1,353	1,056
Non-current assets	127	147
Current liabilities	990	995
Non current liabilities		
Equity	491	208
Current ratio	1.4:1	1:1
Equity ratio	33%	17.3%

Statement of Cash Flows

\$ '000	FY Actual	2004/05 Actual
Operating	300	(1)
Investing	(102)	(80)
Financing		
Net	198	(81)
Closing balance	1,002	805

b. Non Financial



The numbers of visitors to WellingtonNZ.com continues to increase.

c. KPIs

Measure	Frequency of measure	Target	Result	Growth
2005/06	2005/06	2001-		

05*Non financial*

Regional Economic Growth for Tourism Sector (TRCNZ Forecasts)	Annually	8%	(1) Economic value of tourism \$1.438b in 2004. Estimated value in 2003 was \$1.2b	Not Available
Number of Visitors – International (IVS)	6 Months to Dec 05	10%	2%	33%
Number of Visitor Nights – Domestic (CAM)	YTD May 06	3%	6%	32%
Number of Visitor Nights – International (CAM)	YTD May 06	10%	1.10%	25%
Weekend Occupancy Growth in Partner Hotels (PWT Hotel Monitor)	YTD May 06	3%	(2) Net 5.5%	Not Available
Australian Visitor Night Growth (CAM)	YTD May 06	15%	(3) -7.3%	76%

- (1) From TRCNZ Forecasts. Note 2003 figure is an estimate as Kapiti/Horowhenua was not included in regional statistics until 2004 year.
- (2) Note: Hotel occupancy decreased by 2.5%, however total market accommodation capacity increased by 7.97%. Therefore there was a net increase of 5.5%.
- (3) Note: IVS Australian visitor night performance in the 6 months to Dec 05 indicates a decline of 27.84%. We have discussed this with the Ministry of tourism and they agree that there is likely to be a data outlier issue with this figure. It would appear that the dramatic growth in Australian visitor nights that occurred in the YE March 05 data was inaccurate. The Ministry have advised that the visitor number figure is probably more reflective of the market position. This showed a decline of 1.19%. We are still seeking further clarification on this.

4. Key items from the year

PWT launched three new campaigns this year:

- The domestic campaign “Have a love affair with Wellington campaign” (which won an award)
- An Australian consumer campaign in conjunction with Tourism New Zealand. This included television advertising in Brisbane, Melbourne and Sydney.
- Know, an online campaign aimed at encouraging Wellingtonians to visit downtown Wellington

PWT were provided with additional funding of \$200,000 to assist with their project to attract a long haul air service out of Wellington by 2010. They are working closely with Wellington Airport on this initiative which has been made possible through the development of new long haul aircraft that can use

Wellington's short runway. Partner funding of \$205,000 in the 2006/07 year has been obtained.

5. Governance

Kim Wicksteed joined the board during the year and Jennie Langley left the board during the year. During this financial year the terms of another two appointees expire including Philip Shewell, the chairman.

6. Comments Regarding Council

Wellington is privileged to have a Council that strongly recognises the importance of tourism.

7. Future Plans / Issues

- The location and functioning of i-SITE visitor information centre is currently being reviewed. At present the i-SITE is operated on a break-even basis. However this may reduce the number of visitors that use the facility. Location options including the present site and waterfront locations are being considered.
- PWT will continue to work with Wellington Airport to secure a daily long haul service out of Wellington.

8. Conclusion

We believe that their efforts have kept Wellington's visitor numbers at favourable levels compared to the national trends.