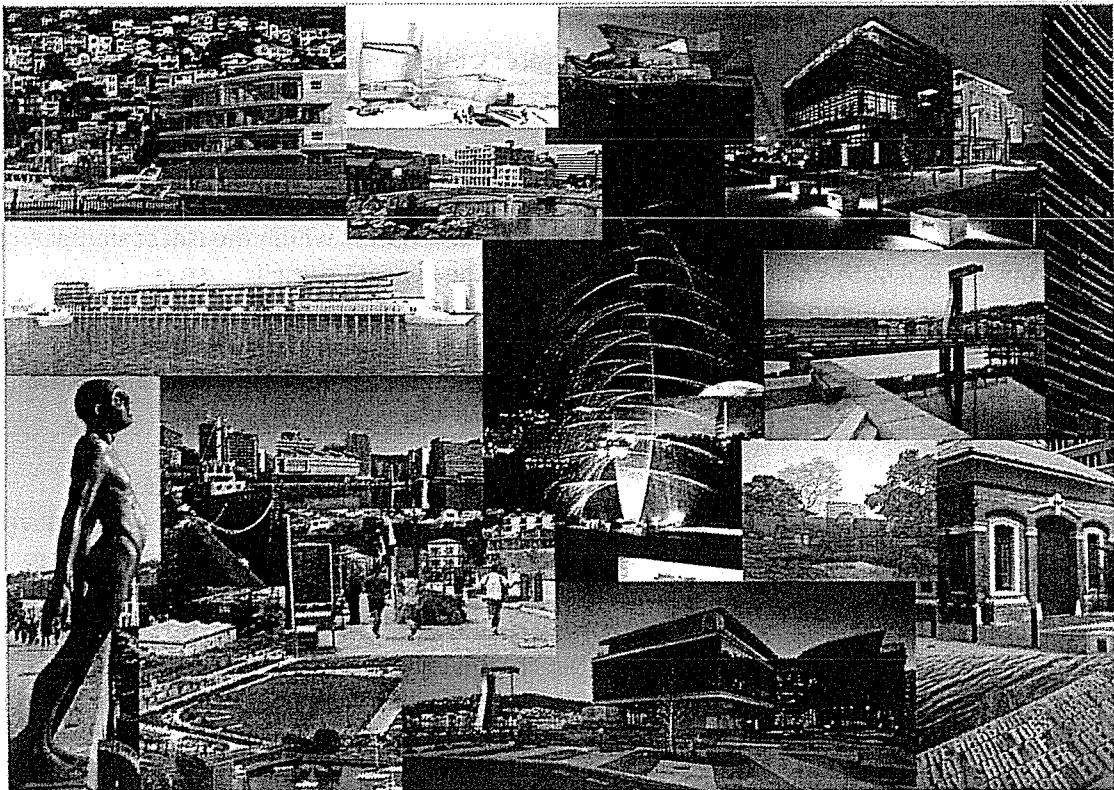


Wellington Waterfront Limited

Strategic Plan 2009 – 2012

Including

Deliverables for 2009 – 2010



Introduction

Wellington Waterfront Ltd (WWL) had a period of adjustment and consolidation throughout the course of 2008/09. The impact of the global economic environment started to impact directly on the Company's operations as developer's interest in waterfront sites was progressively withdrawn and various commercial tenants re-appraised their space requirements and need and capacity for change. Furthermore, the Company was the subject of a comprehensive review undertaken and completed by its shareholder, the Wellington City Council (WCC). This review, completed in December 2008, anticipates the ultimate transition of the operations of the Company to Council in 2010. These external forces had a profound impact on the Company's ability to deliver to its mandate.

Despite the difficult environment within which the Company operates, we are delighted to report that the Company's efforts during the course of the year have resulted in a number of significant achievements. In particular, these include ongoing leasing of ground floor space and recognition of developments - both in the built environment and the delivery of public space - in numerous national awards.

Welcome additions to the vibrancy and diversity of the waterfront are the leasing of important and strategic spaces within the Kumutoto precinct of the waterfront. The New Zealand Portrait Gallery now occupies Shed 11 and presents a professionally curated ever-changing art exhibition. The adjacent Shed 13 has been leased to Mojo – one of Wellington's premier coffee houses. Mojo is establishing a concept within the building that is reminiscent of the history of the building and how it has been used in the past while at the same time presenting and reflecting contemporary culture.

Across the way in the remaining ground floor area of the Meridian Building is the establishment of Portofino – a tried and tested Italian food offering – that like its neighbour, Wagamama, is new to Wellington.

Further to the south, WWL was delighted to work with the quintessential Wellington Free Ambulance, resulting in the establishment of a standby station within the Linkspan Building. The upper level of this delightful building has remained vacant since its customs function was no longer required. The standby station is not only a very practical use for the building providing emergency services in a very central location, but also resonates with the Wellington Free Ambulance's historical associations and presence within this area of the waterfront.

Following recognition received last year by the Company for its contribution toward Wellington's urban design, WWL has continued to be the recipient of a number of local and national architectural awards. What is especially pleasing is the wide range of delivery for which we have gained recognition. The refurbishment of a heritage building (Shed 13) was recognised alongside the development of new spaces (Meridian Building) by the Association of Consulting Engineers. The Wellington Civic Trust recognised Waitangi Park for its outstanding contribution to Wellington's public space as well as WWL's latest art installation – Solace in the Wind – which was the People's Choice for art across the City. Kumutoto's public space and the Meridian Building continued to be praised by the New Zealand Institute of Architects and the Illumination Engineering Society.

So, what can the public of Wellington look forward to over the coming year?

WWL will be completing a wide range of work throughout 2009/10. Outputs will fall into four general categories:

1. Planning – we will apply for resource consents for the development of sites 8 & 9 within the Kumutoto precinct as well as the re-development of Frank Kitts Park including a Chinese Garden. We will be firming up concepts for the future development of site 10. Long term master planning for the Queens Wharf precinct will be developed to enable implementation over the course of the next ten years;
2. Construction – work will start on the construction of the wharewaka adjacent to Taranaki Street Wharf. The second stage of a waterfront-wide pile refurbishment programme will commence. The development of the Kumutoto public space included upgrading the tug wharf and promenade; this second stage will include urgent repairs to the southern end of the outer-T and under Taranaki Street wharf. We will be preparing for the construction of the Overseas Passenger Terminal if the Environment Court upholds the resource consent issued in May 2008. Regular maintenance programmes will be implemented across the waterfront;
3. Interim uses – in light of the stalled property development environment we will be investigating, preparing and implementing approved business cases for various areas of the waterfront that lend themselves to alternate temporary uses; and
4. Transitioning – the Company will be preparing transition plans enabling a smooth and seamless transfer of its operational activities and assets to the WCC at the appropriate agreed time.

This plan has been written with a three year timeframe in mind, but with a particular focus on what we can accomplish over the course of the next twelve months. During the forthcoming year we will be working hard to ensure our standard of delivery remains at a high standard, that construction of new assets and the refurbishment of infrastructural assets continues unabated, that we plan for the future by enhancing values of our underlying land holdings, and that we comprehensively prepare for the optimal and right time to formally hand over the waterfront assets to the City for the continued enjoyment of Wellingtonians.

Michael Cashin
Chairman

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Vision

Wellington's waterfront is a special place that welcomes all people to live, work and play in the beautiful and inspiring spaces and architecture that connect our city to the sea and protect our heritage for future generations.

Mission

To deliver the city's vision for the waterfront and, in so doing, be recognised as a leading waterfront development organisation, confident of our position, trusted by our stakeholders and playing a leadership role as an integral part of our business.

Values

- Leadership
- Proactivity
- Professionalism
- High ethical standards
- Collaboration

Principles

We embrace the principles outlined in the Wellington Waterfront Framework:

- Giving expression to heritage and history, particularly Maori heritage and presence
- Providing a "Sense of place" for Wellingtonians
- Providing for a diversity of experience
- Providing a sense of collective ownership and involvement
- Providing an experience of space and openness
- Providing ease of access for all

Ownership

Wellington Waterfront Limited (WWL) is a Council Controlled Organisation (CCO) established to implement the Wellington Waterfront Framework. The Framework, which outlines the City's vision for the waterfront, also includes criteria for the development of each area of the waterfront and is our principal guiding document.

As a CCO, and by virtue of an Overview Agreement with the Wellington City Council (WCC), WWL complies with the WCC's reporting structure through provision of an annual business plan, quarterly status reports, plus half yearly and annual reports.

WWL has key relationships with the WCC's Technical Advisory Group, the CCO Performance Sub-Committee and WCC officers, including the Urban Strategy Group and the External Communications Unit.

WWL's ultimate accountability is to Wellingtonians and it demonstrates this by aiming to operate with transparency and through a willingness to engage with the public and welcome their feedback.

Waterfront Boundaries

The area owned and managed by WWL (approximately 20 hectares) extends along the seaward side of Waterloo, Customhouse and Jervois Quays and Cable Street (excluding Te Papa). The area is divided into five precincts:

- **Kumutoto** - From the Waterloo on Quay Apartments (opposite the Wellington Railway Station) to the northern end of the Fronde Harbourside Centre. The area includes the waterfront promenade, Heritage Trail, the former Eastbourne Ferry Terminal Building, Sheds 11 and 13, the Tug Wharf, The Loaded Hog and Meridian Energy buildings, Kumutoto public space and development sites 8, 9 and 10.
- **Queens Wharf** – From the Fronde Harbourside Centre and Wharf Office Apartments to the southern end of the TSB Bank Arena. It includes the waterfront promenade, Heritage Trail, Writers Walk, Queens Wharf and Sails, The Bond Store (housing The Museum of Wellington City & Sea), Plimmers Ark, New Zealand Academy of Fine Arts, Shed 5, Shed 6, Dockside and the Queens Wharf Outer-T, including Shed 1 on its northern arm and the Helipro helipads on the southern arm.
- **Frank Kitts Park** – From the southern ends of the TSB Bank Arena and Shed 6 to the northern edge of the Taranaki Street Wharf Lagoon. The area includes the waterfront promenade, Heritage Trail, Writers Walk, children's playground, Frank Kitts Park, Frank Kitts Park car park, Tanya Ashken Albatross sculpture, Paul Dibble Fruits of the Garden sculpture, Len Lye Water Whirler, Wahine Memorial and commemorative plaques.
- **Taranaki Street Wharf** – From the Taranaki Street Wharf Lagoon and Bridge to the Te Papa Breastworks (excluding Te Papa). Within the area are the waterfront promenade, Heritage Trail, Writers Walk, the Wellington Rowing and Star Boating clubs, the proposed wharewaka site, a large, sloping lawn, the Wellington Free Ambulance Building, the NZX Centre, The Wellington Brewing Company, Circa Theatre, the Kupe Statue, the Linkspan building, Bascule Bridge and the northern Te Papa promenade.
- **Waitangi** – From the promenade between Te Papa and Chaffers Marina to Herd Lane, Clyde Quay Wharf and Oriental Parade. The precinct comprises waterfront and streetside promenades, Heritage Trail, Writers Walk, Waitangi Park (now administered by the WCC), Chaffers Dock, proposed development sites 1- 4, Chaffers Marina, the Overseas Passenger Terminal and Clyde Quay Wharf.
A map of the waterfront area managed by WWL is appended.

Strategic Objective

Our overall objective is to fully implement the high level concept plan articulated in the WCC's Wellington Waterfront Framework. In doing this we will:

- Develop a waterfront that is locally and internationally recognised for its design
- Develop an attractive waterfront that is accessible, safe and caters for a wide range of activities for locals and visitors
- Celebrate waterfront heritage, maritime activity and history, and the city's cultural diversity
- Integrate the waterfront with the adjoining city and harbour
- Complete the design, consultation, funding and planning requirements of the waterfront development within budget over a 3 year timeframe

Funding

The Wellington City Council has allocated \$15 million to the development of high quality public space on the waterfront. This funding also goes towards maintaining and redeveloping existing infrastructure such as the promenade and various wharf structures. A much greater proportion (approximately 75%) of the actual cost of these public works comes from the income WWL derives through commercial arrangements it enters into with commercial developers and investors, such as the sale of long term ground leases and development opportunities.

As a consequence of delays in receipt of commercial proceeds WWL received approval from Council in December 2008 for temporary additional funding to fund future planning and for public space development.

How success will be measured

By the end of the Project, Wellington's waterfront will have been transformed into a place of architectural, cultural and recreational renown. The end result will be a vibrant, dynamic, inspiring and multi-faceted waterfront that reflects the city's heritage, its people and that has its eye to the future.

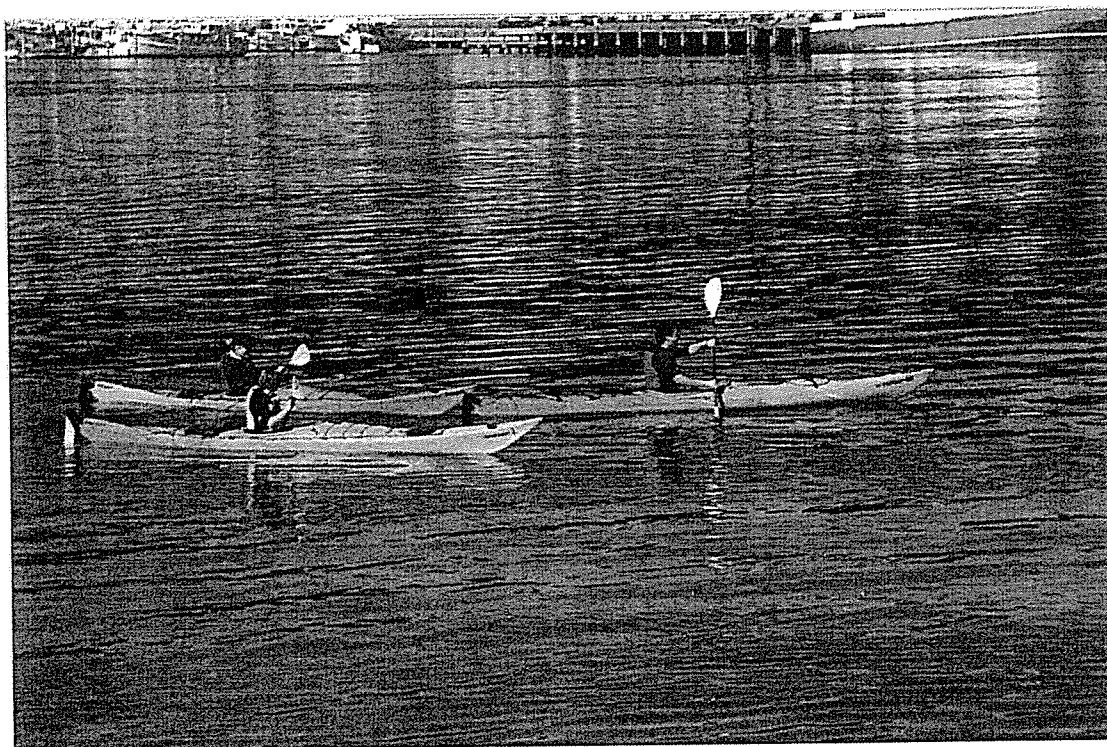
The waterfront project is all about contributing to a better city and showcasing New Zealand's capital. It is an opportunity to promote and open up access to our harbour, create parks and public places, provide new commercial and living accommodation, and in doing all of this, demonstrate excellence in urban planning and design. The city's tourism industry will also be bolstered through the creation of new cultural, recreational and entertainment destinations.

The redeveloped waterfront will contain a network of public parks and open spaces. Over 12 hectares of new and improved open space (including Waitangi and Frank Kitts parks, Kumutoto and extensive promenades) will provide both passive and active recreational opportunities. In addition, over 36,000sqm of cultural and heritage facilities will be provided catering to the needs of tourists and locals alike. Mixed-use, sustainable communities will be developed, offering more than 39,000sqm of commercial office space, 240 apartments

plus 18,000sqm of retail/food and beverage facilities. Collectively these provide living, working and playing opportunities 24 hours a day, 7 days a week. Ultimately, WWL will be measured by its delivery of the principles and objectives clearly outlined in the Wellington Waterfront Framework. Accordingly, we steadily work towards the provision of:

- A diversity of activities including maritime, commercial, entertainment, open space, recreation, culture and heritage
- Improved access along the waterfront and between the city and the harbour
- An evolving waterfront experience that is mindful of its historic past and its future
- Urban design worthy of the waterfront setting
- A consultative process that encourages stakeholder participation

In the short-term however, success during the coming year will be determined by how well we meet our Key Performance Indicators.



Kayakers exploring the waterfront

Key Performance Indicators for 2009/10

- Oversee design development and apply for resource consent for the development of Kumutoto sites 8 & 9 in Q2
- Oversee design development and apply for resource consent for the redevelopment of Frank Kitts Park in Q3, subject to reaching agreement with the Wellington Chinese Garden Society and Wellington Chinese sister cities
- Project manage the construction of the wharewaka at Taranaki Street Wharf with completion in Q2 2010/11
- Oversee design development and the completion of further public space developments at Taranaki St Wharf in conjunction with the wharewaka
- Develop concepts, seek approvals and oversee design development for the redevelopment of Queens Wharf, including Shed 6 and the Outer-T and prepare a master plan that will be publicly consulted upon as part of the process of adopting it as a variation to the district plan. Concepts to be agreed by Q2
- Complete Phase 1 of the wharf refurbishment programme by Q2
- Prepare transitional plans in anticipation of a transfer of responsibilities from the Company to Wellington City Council

Operating Environment – Managing Key Risks

WWL is a publicly owned organisation with a high degree of community interest in its work – an interest that often generates controversy. The company must attempt to balance diverse community and commercial interests.

The following is a list of key risk areas that WWL must manage in order to achieve its objectives:

1. Economic environment
2. Balancing financial and community demands
3. Public opinion
4. The Wellington property market
5. The construction market
6. The resource consent process
7. Natural catastrophes and disaster recovery
8. Threats to security
9. Managing stakeholder relationships
10. The political environment

1. Economic Environment

The majority of the world's key economies remain in the midst of recession and prospects of improvement that began to emerge toward the end of the first quarter are brittle at best.

An April 2009 survey of financial analysts across Europe and US found a slim majority saying that the bottom of the current global recession, seen as the worst since the Second World War, had still not been reached. The road to recovery which is dependent on the return of financial and macro-economic stability is not expected to commence until next year.

New Zealand's most recent economic indicators continue to reflect challenges faced by rising unemployment, a likely six consecutive quarters of negative growth by mid 2009 and concerns over the government's rising level of debt which may have negative implications for NZ's credit rating.

On a more positive note, recent surveys show a slight improvement in business confidence, the depreciation in the NZ dollar will provide exporters with some respite and the Reserve Bank, unlike some of its foreign counter-parts, still has some capacity to reduce interest rates. A return to weak but positive growth in the New Zealand economy is hoped to begin to occur toward the end of 2009.

2. Balancing Financial and Community Demands

Delivering a high quality waterfront with comparatively little cost to ratepayers is a challenge. WWL must obtain the best commercial outcome that provides for high quality investment in public space.

Initiatives such as joint venture agreements with developers and sharing development margins are being explored. We are also seeking to obtain high returns from some leases to subsidise uses that have high social and amenity value but may not be commercially viable.

3. Public Opinion

Appropriately, there is a high level of interest in the waterfront development. Some groups are intensively organised and vocal. WWL welcomes this interest, but must balance it with the interests of the wider community to achieve the best overall outcome.

The cost of upgrading significant infrastructural assets is generally not well understood. Ageing wharf structures and promenades are in some instances in need of major repair/replacement. Major civil and/or structural work is expensive. WWL must meet these costs out of its ratepayer funding (\$15 million), supplemented by development activity. Balancing the need for development activity with the delivery of high quality public space and infrastructure requires ongoing effective communication.

WWL uses a combination of research. Informal feedback is encouraged via the WWL website, Waterfront Project Information Centre, feedback forms, face-to-face meetings and presentations. Formal feedback is sought, in conjunction with WCC, through public consultation processes.

The results of this feedback and research are incorporated into strategic and business planning, the standard, range and number of services and facilities offered on the waterfront and in designs and uses for future developments.

4. The Wellington Property Market

The sentiment in the property market over the past twelve months has eased markedly in line with the slowing economy, a backdrop of finance company failures and a world-wide credit crisis.

Significant features of the market over the past year include:

- Institutional property owners and listed property companies having to sell property which, together with a general re-pricing of risk, has led to an easing of yields by 50 – 75 basis points for prime property and upward of 100 basis points for other classes of property
- Decreasing business confidence leading to lower levels of tenant demand which in turn will ultimately lead to increased levels of supply and falling rents
- A virtual collapse of the development market due in part to lack of available finance and difficulties being experienced in obtaining required levels of pre-sales or tenant pre-commitment

On a more positive note, the fundamentals of the property market are much better than they were in the last major property downturn with nowhere near the same levels of over-supply that existed in 1987 – 1992. Low deposit rates, an uncertain sharemarket, the lowest mortgage interest rates in almost a decade and a growing supply of well priced property investment opportunities are already attracting investors back to the market, mainly in the form of private syndications.

The commercial property market in Wellington is not expected to return to a point of equilibrium until 2011/12. However, the lag between tenant demand for new space and developer's ability to deliver new space to tenants dictates the need for Wellington Waterfront Limited to continue its current strategy to use the current economic hiatus to plan and obtain resource consents for proposed future developments on the waterfront.

5. The Construction Market

The last quarter of 2008 was the second busiest quarter ever (behind the September 2008 quarter) for non-residential building work in New Zealand, which underlines the lag effect between the general economy and the construction sector both in economic downturns and upswings.

The value of non-residential building work put in place rose 3.7% to \$5.22 billion in the year to December 2008.

There is growing evidence indicating that short term prospects in the construction sector have slowed but forecast to pick up again over the course of 2010 and gather pace over 2011 as economic growth accelerates and the effects of lower borrowing costs take effect.

One of the biggest challenges to the construction sector in the meantime is retention of key personnel and core competencies capable of being quickly deployed for the next upswing the construction and development cycle.

The initiation of any development construction projects by WWL in the next 1 – 2 years should result in very competitive tender prices being received.

6. Resource Consent Process

All developments are subject to resource consent and are publicly notified. Applications generally attract wide interest and many submissions, so planning must be rigorous and detailed. Delay in gaining consent for any development impacts on the delivery of the whole Wellington Waterfront Framework, not just the project in question. WWL works closely with developers, consultants, WCC, and Greater Wellington Regional Council to ensure that at each stage of a project, correct processes are followed and adequate consultation is undertaken.

WCC's recently Proposed District Plan Variation 11 promoting the inclusion of more detailed policy provisions and non-notification of complying applications for future building development on the waterfront and Kumutoto (sites 8, 9 & 10) in particular, has attracted over 50 public submissions. The hearing and appeal process to the proposed variation are likely to take place in July/August 2009.

7. Natural Catastrophes and Disaster Recovery

The effects of climate change, earthquake, tsunami, king tide (10/4/2012), storms, fire, gas or chemical leaks, disease pandemics or other potentially catastrophic events could have a devastating impact on the waterfront, physically and fiscally. WWL has comprehensive insurance cover that is regularly reviewed. The company is careful to ensure all construction and operational activities on the waterfront comply with statutory requirements, and consider the potential effects of hazards in design, construction and operation. Hazard management and other health and safety issues are regularly reviewed and monitored.

8. Threats to Security

WWL is part of the Port Facility Security Plan as required by the Maritime Security Act 2004. There have been significant changes to port security that have impacted on how CentrePort runs shipping in the Wellington waterfront area.

The waterfront could be vulnerable to acts of sabotage and violence. WWL assesses such risks as part of its risk management planning associated with any new project and the maintenance of safety across the waterfront in general. WWL works with the police and our own security contractor to manage incidences if they arise.

9. Managing Stakeholder Relationships

WWL identifies and monitors relationships with its most influential stakeholders and, where necessary, develops formal relationship management plans. These plans aim to encourage greater involvement where the influence is positive and/or constructive, or attempt to minimise the impact of negative influencers.

WWL's key stakeholders include the Wellington City Council, members of the waterfront community – including waterfront businesses and neighbours – the general public and groups and organisations with specific interests in city development and/or promotion.

A range of communication channels are used to engage with and update stakeholders, from regular meetings, presentations, reports, open days, displays, the Waterfront Project Information Centre and website.

The objectives and approaches to relationship management for each key stakeholder are applied across all WWL work streams, ensuring every contact between WWL and its key stakeholders is constructive.

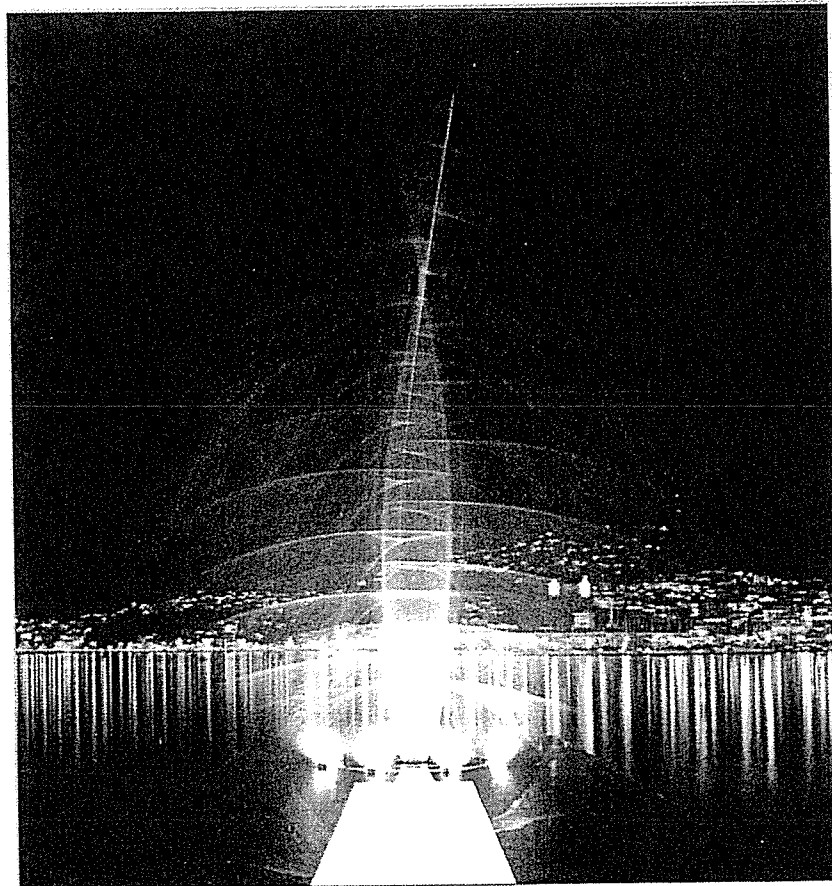
10. Political Environment

As a Council Controlled Organisation, WWL operates within the political environment of Wellington's local government. Political moods can fluctuate from one elected Council to the next and have the potential to influence WCC's policy relating to the waterfront and its governance and funding structures.

In December 2008 Council approved the recommendation that the implementation of the Waterfront Project be transferred to and undertaken by the Council (subject to review) from 1 July 2010. The Company will continue planning the major projects and Council will implement the projects in accordance with its Long Term Council Community Plan.

We work transparently and endeavour to be responsive to ideas and constructive criticisms, demonstrating a willingness to effectively engage with politicians and the public and applying rigorous standards of project and financial management.

WWL has a commitment to maintaining effective communication with its shareholder, the Council. We run a no surprises policy, ensuring the Council and its senior officers are informed of issues in a timely manner. WWL regularly updates Councillors and senior Council staff via formal reporting processes, the Strategy and Policy Committee and the CCO Performance Sub-committee.



Len Lye – Water Whirler

Delivering the Waterfront Framework

There are two main tasks involved in delivering the Council's vision for the waterfront, as elucidated in the Wellington Waterfront Framework – providing opportunities for Wellingtonians to enjoy the waterfront's current offerings – and the development of new ones for the future.

The first is determined by how well the waterfront is operated and maintained, how the diverse interests and moods of waterfront visitors and its business operators are catered for throughout the year.

The second is achieved through the delivery of new features – either the redevelopment of existing sites, or the creation of new buildings and open space. This includes ensuring that designs meet the standards and expectations outlined in the Framework, improving access between the city and the waterfront, working with developers and the public to secure the best outcomes and liaising with other key partners to explore future development opportunities.

WWL has broken the delivery of these two tasks into the following work streams:

- Telling the Waterfront's Stories
- Maintaining the Environment
- Working on the Waterfront
- Design and Project Implementation
- Development Strategy
- Investigating Further Recreational and Cultural Opportunities

Effective and efficient delivery of these work streams is underpinned by the following range of corporate activities and processes:

- People
- Communications
- Strategy and Planning
- Governance
- Internal Systems and Processes
- Finance

As we move towards completion of the waterfront project, it becomes increasingly important to ensure that appropriate documentation and processes are put in place to facilitate a smooth hand-over of responsibility for the waterfront to the WCC. These Transitional Arrangements are addressed within the company's Statement of Intent.

Strategic objectives have been set for each of these areas of work, along with the adoption of an approach to the work and a range of delivery targets set for the 09/10 year – these are more fully outlined on the following pages.

TELLING THE WATERFRONT'S STORIES

Strategic Objective

Tell the stories of the waterfront – from pre-colonial history through to the present day – to preserve Wellington’s heritage now and for future generations.

A number of existing elements have gone some considerable way to meeting this objective:

The Maritime Heritage Trail, with its accompanying booklet, provides a key element in educating visitors about waterfront heritage. WWL’s website is also a source of information about the area’s history.

A series of commemorative plaques along the Frank Kitts Park promenade provide further points of interest, as does the placement of maritime relics; heritage cranes, anchors, buoys, etc throughout the waterfront. Additional plaques will be added to this impressive collection this year. With their sculptural form and relevant quotes about the city and harbour, the Wellington Writer’s Walk plaques tell their story in a more contemporary way.

The Museum of Wellington provides an accessible, comprehensive and intriguing exploration of the waterfront’s role in the city’s maritime and social history. WWL has a Memorandum of Understanding with the Museum of Wellington to assist with the identification and development of additional programmes/opportunities to present the waterfront’s history and stories. Accordingly we will work with the Museum of Wellington to explore the most effective way of promoting these existent elements via the development of appropriate marketing collateral.

As the current major redevelopment of the waterfront approaches its conclusion it is appropriate to archive records of the development activities and proposed schemes, for future generations to reflect upon. During development many documents, plans, photographs, scale models, awards and the like are created that form a rich tapestry of the times and aspirations of our generation. We will work with conservators and the Museum of Wellington to ensure that these records are retained in good and appropriate condition for posterity.

Maori/tangata whenua cultural involvement is also integral to the waterfront and will be, reflected in waterfront designs, art and place names. The imminent development of the wharewaka will create many opportunities for presenting traditional ceremonies associated with waterfront activities. We look forward to the new, modern vibrant society that develops around this iconic building and will welcome iwi groups return to a prime waterfront location.

The Approach

- Ensure that Wellington’s waterfront and maritime histories are presented so they are easily understood, identifiable and attractive to the public
- Ensure that the history of the waterfront is appropriately acknowledged and celebrated within all future public space developments

This Year's Delivery

- Install two new commemorative plaques on the waterfront by Dec 2009
- Establish an archiving policy and prepare redundant records for archiving
- Upon completion of the proposed wharewaka on Taranaki Street Wharf, we will work with the Wellington Tenth Trust to develop interpretive materials about the wharewaka and the wider Maori history of this precinct – by 31 March 2010



Queens Wharf Historic Gates

MAINTAINING THE ENVIRONMENT

Strategic Objective

To ensure the waterfront is a vibrant and attractive environment through the provision of spaces that are safe, clean, efficient, well maintained and to support the operation of a diverse range of businesses and activities on the waterfront.

Maintenance standards across the waterfront vary according to their development status. Where development has been completed standards are expected to be maintained at a high level whereas areas awaiting development, for example the Overseas Terminal and wharf, Sheds 1 & 6 at Queens Wharf must be kept safe, clean and serviceable until they are ready for transformation.

As development progresses there is a corresponding increase in waterfront usage. This brings challenges in maintaining waterfront infrastructure, increased cleaning and security requirements and a commensurate increase in cost. The use of high quality materials in the construction of the waterfront's public space can also make developments more expensive in the short term but cheaper to maintain over time. It also needs to be recognised that due to its very environment, the waterfront is generally an expensive place to maintain.

Management issues will also arise out of the changing nature of redeveloped waterfront spaces. New developments add to and/or change traffic needs. Accordingly, WWL will implement traffic management controls on the entrances to Taranaki Street Wharf and at the rear of the TSB Bank Arena.

WWL maintains its assets in accordance with its Asset Management Plan (AMP). This document contains a comprehensive description of all the assets on the waterfront and details plans and budget provisions for optimising each assets life cycle, and expected level of service. The plan was upgraded in 2008/9 to make it compatible with the AMP planning procedures in use at WCC and to reflect a greater focus on the efficient use of resources that the economic circumstances of this period demand.

WWL's AMP predicts regular preventive maintenance requirements and our maintenance team is responsive to the unforeseen maintenance and damage repair issues that are inherent in operating a high profile, active public space.

Contractors play a key role in this and WWL selects contractors with a proven ability and expects them to operate within the standards of good commercial and professional practice. WWL ensures all contracts with suppliers and other contractors are robust, measurable and that they are reviewed and updated each year.

A particular focus is on Crime Prevention through Environmental Design (CPTED). The essence of this practice is to design spaces with natural access control, natural surveillance, and implied territoriality. All new developments are assessed for their CPTED conformance. Existing areas are upgraded to reduce the potential for criminal activity.

WWL ensures that its operations, maintenance and development activities comply with Health and Safety legislation and best practice.

Approach

- Set maintenance and cleaning levels of service according to whether the area is developed or awaiting redevelopment, while maintaining the general waterfront environment to a high standard
- Ensure contractors operate with appropriate regard to Health & Safety requirements, are efficient and have the maintenance of a high quality waterfront as a priority
- Contribute to planning of all new development projects to ensure future maintenance and contracts are easily managed and kept to a minimum
- Anticipate and plan for future maintenance or construction needs

This Year's Delivery

- Complete the upgrade of the Asset Management Planning system from a document based plan to a living active database that is the heart of the planning, action and recording of the life cycle management of WWL assets
- Undertake CPTED reviews of areas of entrapment, poor natural surveillance or where territoriality is poor and implement improvements. On-going
- Implement and optimise new traffic control measures for the waterfront entrances at Taranaki Street Wharf, and the Hunter Street entrance (the rear of the TSB Bank Arena) - review quarterly
- Roll out the full planned and reactive maintenance requirements that the AMP prescribes on time and within budget
- Complete Phase 1 of the wharf refurbishment programme by Q2



Repainting of Shed 5

WORKING ON THE WATERFRONT

Strategic Objective

Provide a range of infrastructure and facilities that allows for the operation of a diverse range of business and activities on the waterfront.

The range and number of businesses/organisations operating on the waterfront continues to grow. WWL recognises the considerable contribution each business has made to what the waterfront has become. Similarly the events that the Wellington City Council Events team organises have grown to a very full calendar over the summer months providing the vibrancy and attraction the waterfront has for a wide and growing number of community sectors. These events bring both strong positive and occasional negative impacts to Waterfront businesses. The growing number of events, combined with the reduction in the available space (particularly during the construction of the wharewaka) will require careful management to balance the needs and aspirations of each group.

We will seek to add to the waterfront additional beneficial tenants similar to Wellington Free Ambulance, Helipro and the like that add intangible qualities of security, purpose, longevity and appropriateness for this environment. In particular the opportunity to secure a long term tenancy for the new Police catamaran (due 2010) and the Police National Dive Squad will be pursued.

Approach

WWL works to optimise the business environment for our tenants as well as event organisers through communication, issues identification, negotiation and planning. As the pressure to share the space increases we will facilitate a greater planning and communication role. In particular we will foster the development of precinct business communities centred on Queens Wharf and Taranaki Street Wharf to integrate their business planning into the events programme and establish their own collaborative activities to enhance their business opportunities on the waterfront.

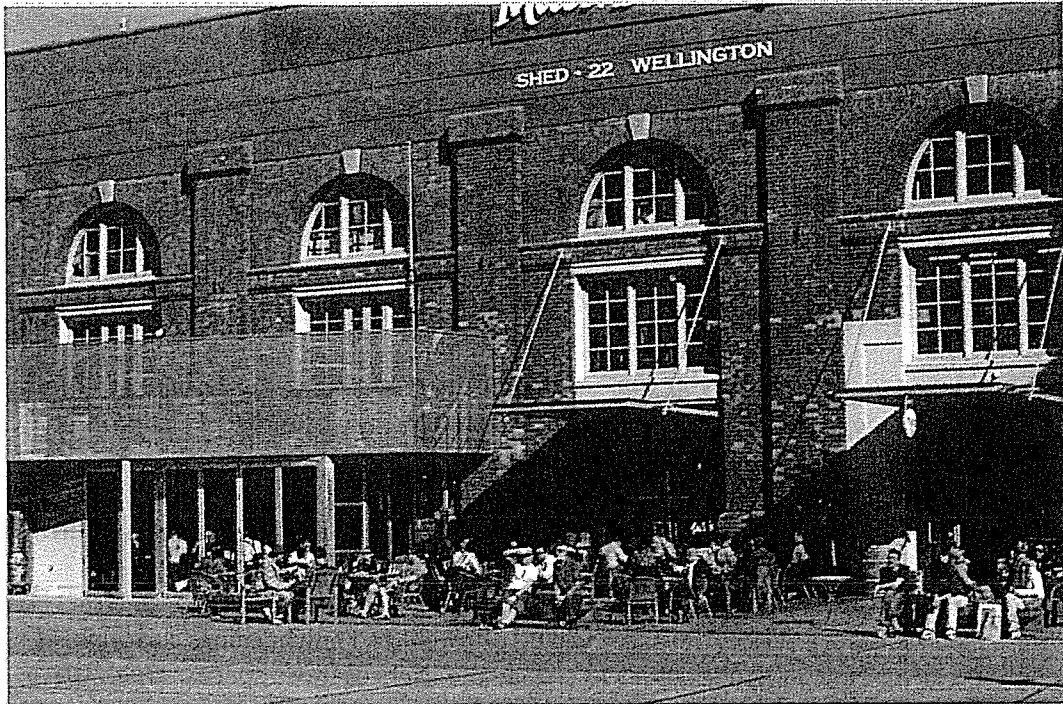
We maintain regular contact with our tenants, other waterfront occupants (such as the New Zealand Academy of Fine Arts, Museum of Wellington) and residents occupying apartments on the waterfront.

We will also continue to carry out expeditious and fair rent reviews, lease renewals, and manage lease expiries prior to their effective date. A programme is in place to meet all tenants on a regular basis.

Any complaints or accidents are registered, and responded to, within 24 hours.

This Year's Delivery

- Establish regular planning and co-ordination group meetings for Taranaki Street Wharf and Queens Wharf Precincts to facilitate event integration into their business plans and establish collaborative activities that promote their areas. Ongoing.



Wellingtonians and visitors enjoying the waterfront facilities at Taranaki Street Wharf

DESIGN AND PROJECT IMPLEMENTATION

Strategic Objective

To achieve a high standard of design and implementation of open spaces, public buildings and commercial developments, taking into account robust urban design principles. These include the use and amenity value of spaces and the way users interact between and within buildings and open space developments.

WWL ensures that designs utilise high quality detailing, materials and construction methods appropriate for the waterfront environment. We also recognise the requirement to deliver designs that fit within approved budgets.

It is also important that designs promote diversity on the waterfront by encouraging flexibility of use and allow for elements to be adaptable over time. Wellington's Waterfront is being built for the long term, not just for today's generation.

Approach

All buildings and public spaces will enhance the waterfront environment. Key features include:

- Distinctive design – high quality architecture and landscape design with attention to external appearance, environmental sustainability, use of materials, appropriate bulk and form, interior quality and functionality
- Design consistency – designs developed for each area will achieve a high level of consistency and integration with neighbouring and surrounding areas
- Open space – a variety of spaces will be provided and any buildings surrounding them shall encourage activities to engage the users of those spaces. Open spaces should be shaped with well-defined edges and appropriate connection to the water and other places
- Promenade – develop and enhance people's experience of the promenade, recognising its predominantly pedestrian nature and encourage access to the water
- Connections – develop and enhance connections and integration from the waterfront to the city
- Diversity – ensure that the designs and building use is consistent with "live, work and play" objectives

The Technical Advisory Group (TAG) is actively involved in each project from inception. TAG will review and critique the development of design guidelines, briefs and designs as they evolve.

Only design consultants with a reputation for delivering to a high standard will be engaged.

Design strategies containing guidelines and principles have been adopted for the following:

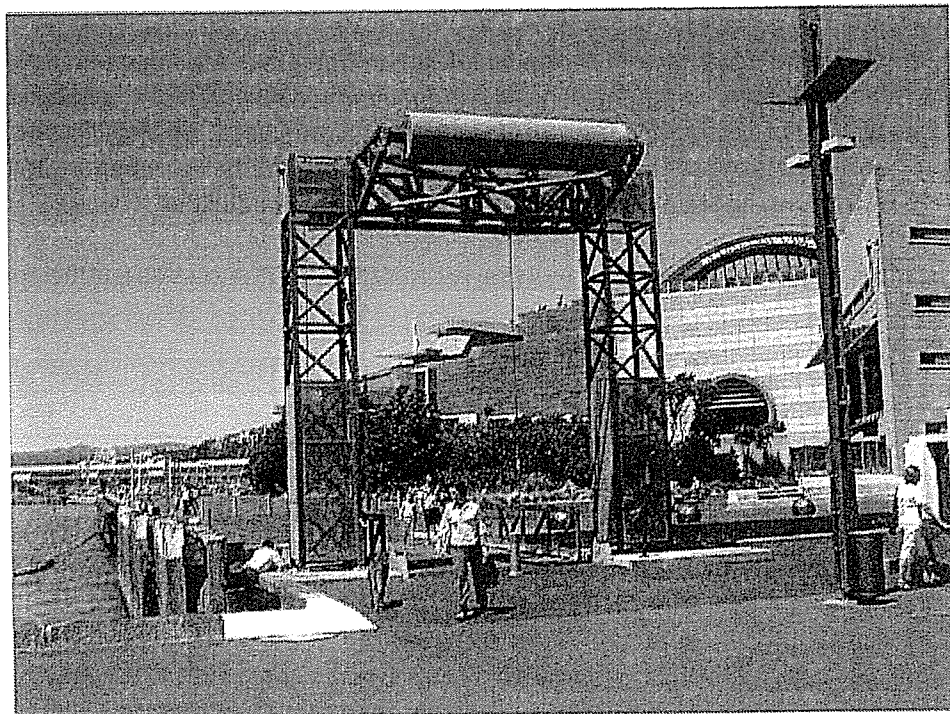
- Heritage treatment (buildings)
- Signage
- Car parking
- Traffic management
- Lighting
- Furniture
- Ground floor uses
- Universal disability charter

These strategies are included in the brief for each project as appropriate.

WWL is a signatory to the Ministry for the Environment's Urban Design Protocol and implements proven principles of high quality urban design.

This Year's Delivery

- Continue to implement project processes to ensure consultation and delivery is well executed
- Continue to utilise design guidelines to ensure delivery of the projects is within accepted parameters
- As a signatory to the Ministry for the Environment's Urban Design Protocol WWL will ensure that designs are prepared in accordance with stated best practice



Bascule Bridge – Taranaki Street Wharf

DEVELOPMENT STRATEGY

Strategic Objective

To complete and implement plans for delivering the vision for the waterfront over the next 12-18 months.

This is an ambitious time-frame – but much of the ground work towards its achievement was laid last year:

- Design work has continued on Kumutoto sites 8, 9 and 10 leading up to the application for resource consents in August 2009 as well as exploring opportunities with potential tenants and development partners.
- Design work has continued on the Frank Kitts park redevelopment in partnership with the Wellington Chinese Garden Society and Wellingtons Sister Cities Beijing and Xiamen.
- Willis Bond & Co, the development company undertaking the proposed redevelopment of the Overseas Passenger Terminal, together with WWL obtained a resource consent which was latterly appealed to the Environment Court.

Ultimately, the development of the waterfront is WWL's core business, so management of these projects will be controlled by WWL taking a lead role until resource consents are in place. Once consents are obtained, WWL will then determine the most beneficial way to implement the plans for each site.

Approach

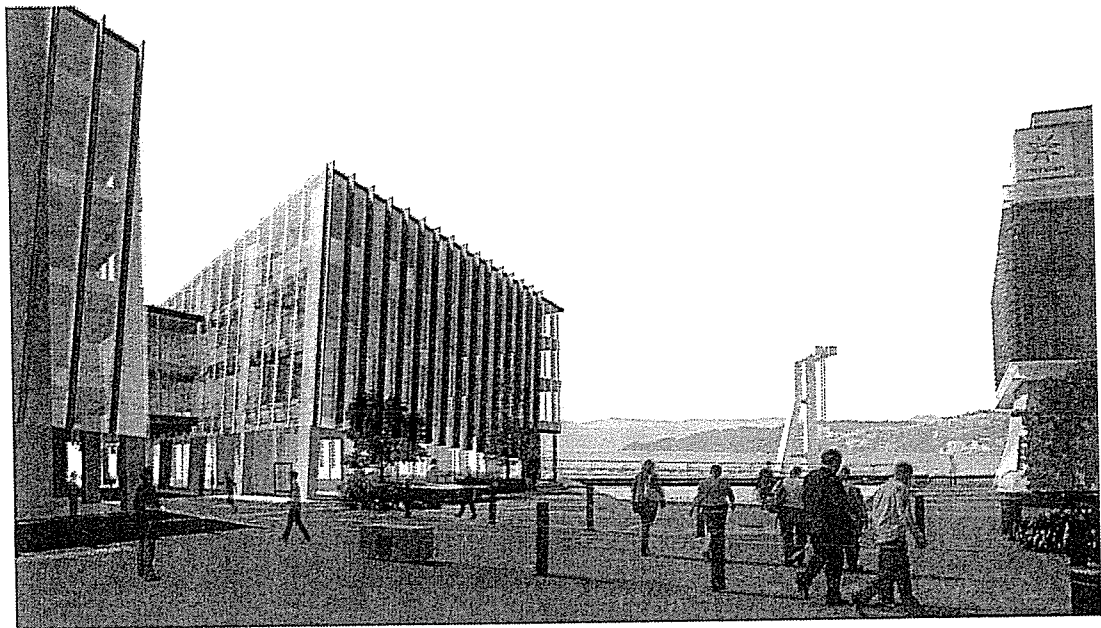
Developments are funded and built through judicious commercial arrangements with developers and investors. Commercial proceeds enable the delivery of high quality public spaces that would not be possible if WWL was solely reliant on WCC funding. To this end, WWL has negotiated ground leases in return for up-front payments on numerous buildings across the waterfront, eg Shed 21, NZX, Chaffers Dock, Meridian Building

In all instances the land and improvements revert to WWL (or its successor) at the end of each lease.

This Year's Delivery

- Oversee design development and apply for resource consents for Kumutoto sites 8 & 9 in Q2
- Oversee design development and apply for resource consent for the redevelopment of Frank Kitts Park in Q3, subject to reaching agreement with the Wellington Chinese Garden Society and Wellington Chinese sister cities

- Project manage the construction of the wharewaka at Taranaki Street Wharf with completion in Q2 2010/11
- Oversee design development of further public space enhancements at Taranaki St Wharf
- Develop concepts, seek approvals and oversee design development for the redevelopment of Queens Wharf, including Shed 6 and the Outer-T and prepare a master plan that will be publicly consulted upon as part of the process of adopting it as a variation to the district plan. Concepts to be agreed by Q2

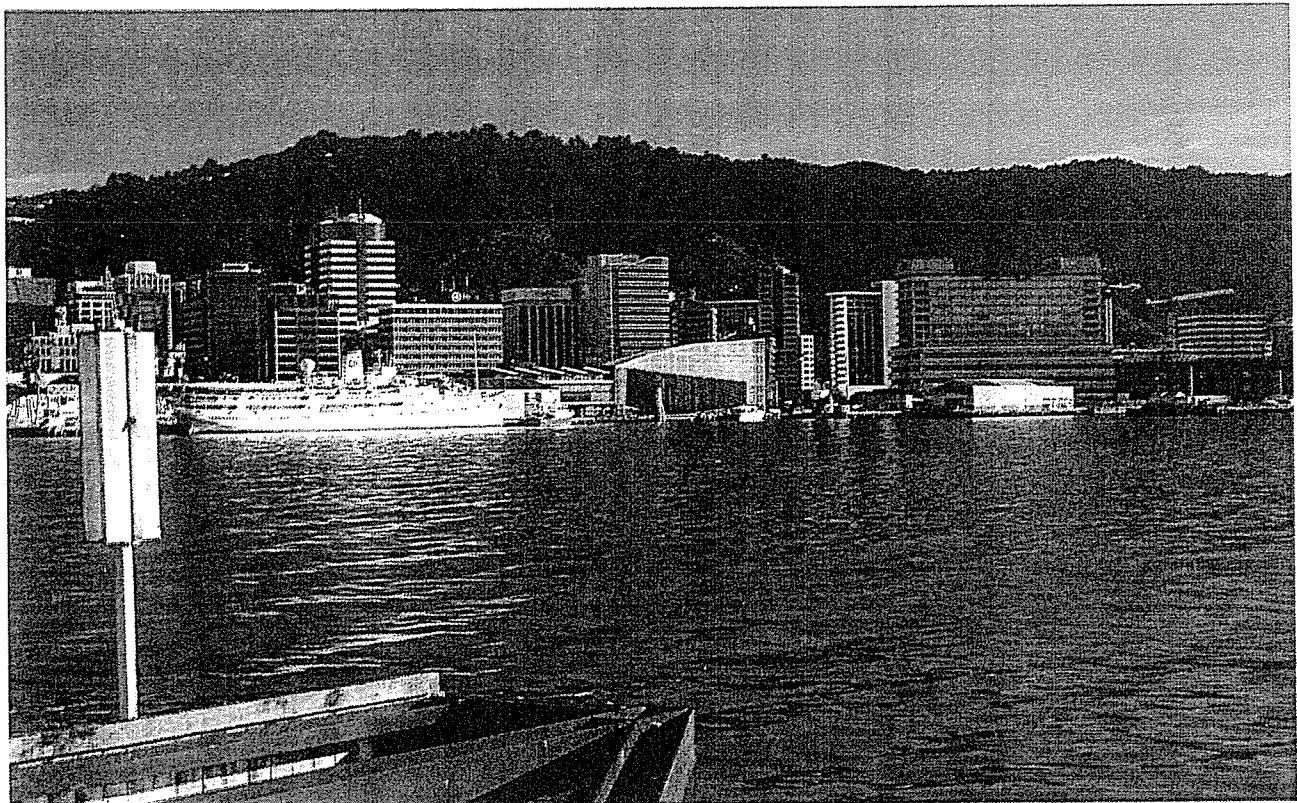


Artist's impression – of sites 8 & 9

Project Plan Table

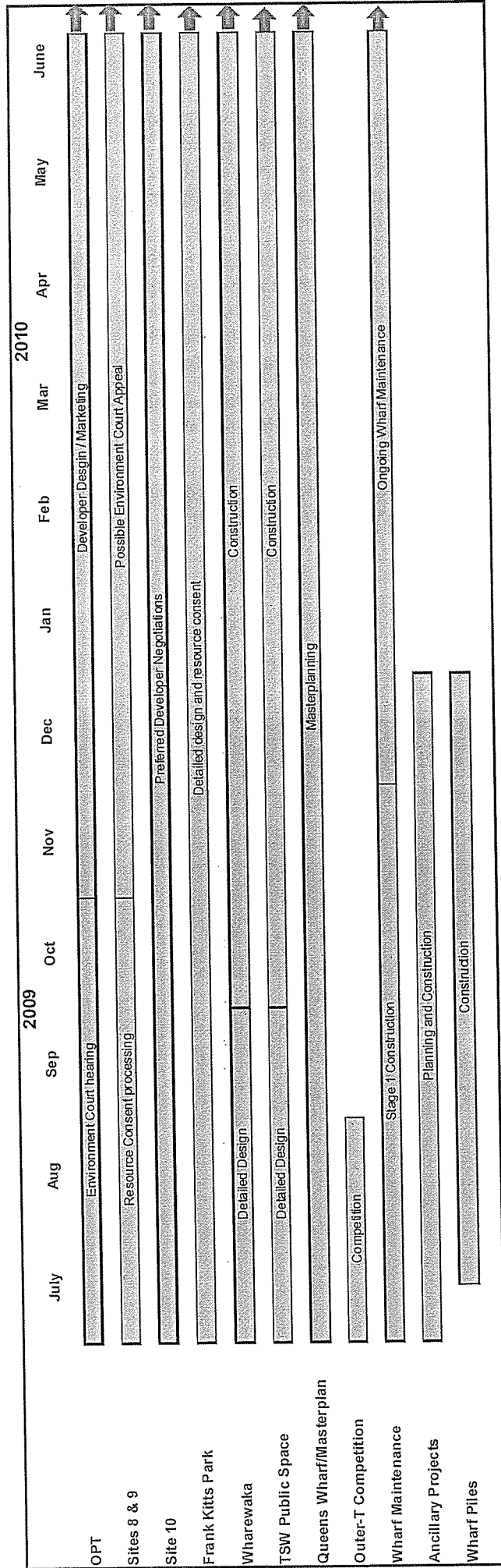
PROJECTS	USE	STATUS
Overseas Passenger Terminal – Clyde Quay	Redevelopment of the Overseas Passenger Terminal into a complex of residential apartments with associated complementary ground floor uses.	Awaiting outcome of the Resource consent appeal to the Environment Court.
Sites 8, 9 & 10	Building sites in Kumutoto, adjacent to the Whitmore St entrance.	Resource consent applications for sites 8 & 9 to be lodged during the 1 st quarter of the 2009/10 year.
Frank Kitts Park	To be redeveloped to provide greater integration between the city and the harbour and to include a Chinese Garden	Resource consent application to be lodged during the 2 nd quarter of the 2009/10 year.
Wharewaka	The Wellington Tenth Trust proposal (in conjunction with WCC) to construct a wharewaka (canoe house) to house ceremonial waka and provide a cultural attraction for visitors.	Resource consent granted in November 2005. Project funding finalised. Construction to commence 2 nd quarter of the 2009/10 year.
Taranaki St Wharf public space	Improvement of landscaping around Taranaki St Wharf, the lagoon, and planted areas around the Wellington Free Ambulance building.	Design to be developed in conjunction with the wharewaka project and construction to be completed in similar timeframe
Queens Wharf/Shed 6, TSB Bank Arena and the Outer-T	Shed 6 – Proposed redevelopment, potentially in conjunction with TSB Bank Arena. TSB Bank Arena – Proposed redevelopment of the building in conjunction with Shed 6 and in particular, addressing southern end design issues. Outer-T – Proposed redevelopment of the building and public space.	Public ideas competition completed and master planning project to be completed in the 3 rd quarter of 2009/10.
Waitangi Park Sites 1 & 2	Low level building within the Waitangi Park precinct adjacent to the Clyde Quay Boat Harbour to contain recreational activities on the ground floor and upper floors if viable.	Design competition held and WDSC approval granted in November 2005.

PROJECTS	USE	STATUS
Waitangi Park Site 3	A four storey, mixed-use building site on Waitangi Park to the east of Chaffers Dock containing activities complementary to the neighbouring park and apartments.	Design competition held and WDSC approval granted in November 2005.
Waitangi Park Site 4 - Transition Building	A new four storey building to provide cultural/recreational amenities and some car parking for Waitangi Park, designed to transition from the bulk and height of Te Papa to the Park.	Design competition held and WDSC approval granted in November 2005.
Intermediate Uses on long term development sites	Investigate a number of interim uses for Site 10 and the transition site pending development.	Initial stages of investigation.
Wharf pile repair	Repair Queens Wharf and Taranaki Street Wharf piles and structure.	First tranche of work under Taranaki Street Wharf to be completed by June 2010.



Graphic illustration of proposed development for sites 8 & 9

The following chart outlines development processes and timeline for the 2009/10 year:



INVESTIGATING FURTHER RECREATIONAL AND CULTURAL OPPORTUNITIES

Strategic Objective

To provide a range of amenities and features that enhances opportunities for recreational and cultural activities on the waterfront.

The changing economic situation will affect the way in which Wellingtonians will expect us to manage their prime public space.

- We anticipate more participation in free or low cost events as families adopt leisure pastimes that fit within limited budgets.
- More people will establish small sustainable crafts activity or grow produce. They will seek market operations to connect with the Wellington population to provide an outlet for their goods. Wellington Waterfront will provide those facilities.
- Wellington is now a major tourism centre and relies on a continual stream of new arrivals as a contribution to our economic activity. A growing portion of this stream come from motor-home travellers, and many of these travellers use our car-parks to camp-out in the city. We will upgrade a proportion of our car-parks to provide a unique central city campervan park that provides sufficient quality facilities for travellers to remain in Wellington a few extra days.
- Active mode transportation (walking and cycling) will grow as health initiatives, low cost leisure activities and affordable commuting options take hold. The waterfront is the hub of most of these routes and will play an increasing role in encouraging active transport.

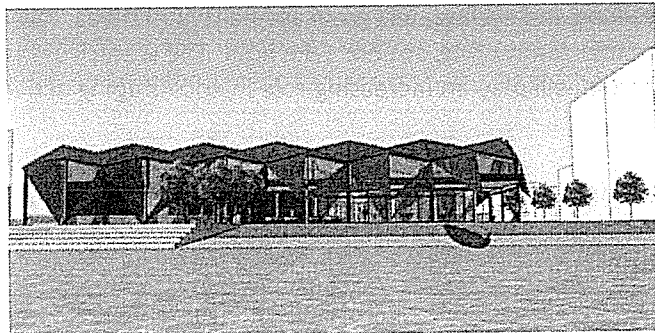
Wellington Waterfront will continue to work with other organisations, notably the Wellington Sculpture Trust to provide locations and support the establishment of high quality significant artworks and sculpture.

Approach

Annually, WWL staff, Directors and other stakeholders brain-storm ideas for the provision of recreational and cultural amenities on the waterfront. These are investigated as to their appropriateness and feasibility, as are the considerable numbers of proposals that come from external individuals and organisations.

This Year's Delivery

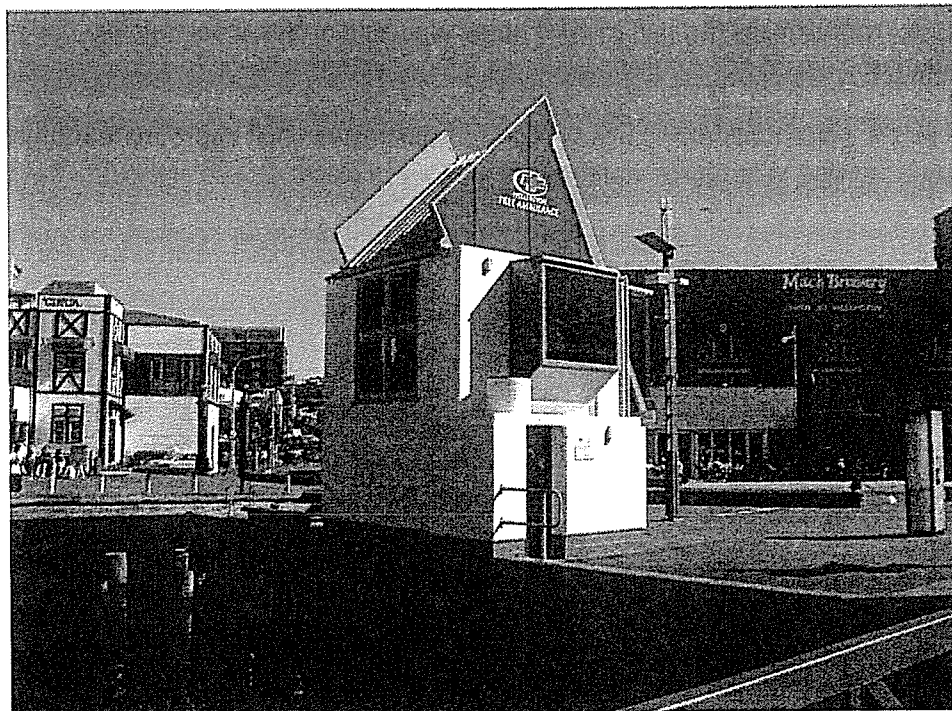
- Enhance the existing food market at Waitangi Park to provide a wider range of locally grown produce. Improve the infrastructure and marketing so that this market becomes the preferred site to connect the authentic growers with the Wellington consumers. On-going incremental development.
- Provide a venue for the Wellington Creative Trust to establish The Wellington Creative Market which will operate every Sunday. The market is intended to be a high quality artisan designer market that will promote Wellington as the Creative Capital of New Zealand by October 2009.
- Work with the Greater Harbour Way Coalition to establish Queens Wharf as the heart of the "Great Harbour Way". The GHW is being developed as a continuous public and safe route for walkers and cyclists around the perimeter of Te Whanganui-a-tara (Wellington Harbour) with potential connections into the wider regional cycling and walking networks. Establishing Queens Wharf as the heart will allow promotion of round trips that start and finish at this point.
- Assist the Wellington Sculpture Trust to install two new sculptural works. Kina by Michael Tuffery and the second Four Plinths installation.



Corporate Support

WWL's focus on delivering and developing the waterfront experience is supported by corporate activities and processes that underpin efficient and effective delivery. They are discussed below under the following headings:

- People
- Communication
- Strategy and Planning
- Governance
- Finance
- Internal Systems and Process
- Information Management



Wellington Free Ambulance - Linkspan Response Base

PEOPLE

Strategic Objective

To maintain a small, high performance team that demonstrates the required capabilities, values innovation, acts professionally and ethically and operates in an environment that fosters delivery to the highest standards.

Approach

With a staff complement of only eight, it is imperative that we retain and attract highly motivated and skilled people that exemplify the organisation's values to provide optimum delivery of the Wellington Waterfront Framework. WWL has developed and maintained a strong team-based culture that recognises and utilises each individual's skills and actively promotes effective communication, co-operation and teamwork. All staff members are able to develop professionally through a series of personal and professional training opportunities.

The Board's People and Performance Sub-committee ensures that appropriate remuneration and people policies, procedures and programmes are in place.

This Year's Delivery

- Ensure all staff have Performance Agreements for the 2009/10 year – by 31 July 2009
- Complete performance appraisals with all staff on a quarterly basis
- Enable staff to implement their individual training plans – review quarterly
- Ensure all managers complete and regularly update their conflicts of interest declarations, according to company policy – review quarterly
- Acknowledge and celebrate success – as appropriate

COMMUNICATION

Strategic Objective

To ensure Wellingtonians share the Wellington Waterfront Framework's vision for the waterfront, understand how the physical features will make the vision real and support WWL's efforts to bring the vision into reality.

WWL must convey strong, often visual, messages about the future waterfront to help Wellingtonians place proposed new developments and visualise how they will enhance their experience of the waterfront. It is also important to remind them of the asset that already exists and that this actually came about through a development process.

To ensure these messages are clear and well understood, WWL must tailor the content, delivery and frequency of its communication activity to meet the needs of its various audiences.

There are challenges to communicating effectively with Wellingtonians. These include the cost of communicating to mass audiences through paid media, the principle within the news media that conflict and controversy make news – positive stories generally do not, the initial anxiety among Wellingtonians that any new proposal may compromise their enjoyment of the current waterfront experience, the number and diversity of communities of interest and the difficulty of communicating concepts.

Approach

WWL uses a combination of approaches to engage effectively with key stakeholders and inform the public about waterfront development projects. It is important that WWL continues to build confidence among Wellingtonians that we share the things they value about the waterfront, have their interests at heart and that we have the expertise to do the job to a high standard.

Communications in the coming year will continue to focus on keeping the wider community abreast and further strengthening relationships with key stakeholders.

This focus translates into the following key areas of work, all of which are underpinned by ongoing research and consultation:

- Communicating with Wellingtonians through a programme of presentations and displays in the community, the continued enhancement of WWL's Waterfront Project Information Centre, maintenance of its website and active engagement with the waterfront's various communities of interest
- Promoting to the public and fostering input into the implementation of the waterfront's various projects, through specific communications activities planned for each project

- Maintaining effective relationships with key stakeholders, particularly the Wellington City Council and the waterfront community, through a managed programme of engagement, appropriate to each group

STRATEGY AND PLANNING

Strategic Objective

To have robust, transparent strategy and business plans that will allow us to plan comprehensively, deliver efficiently and measure honestly, while retaining the flexibility to respond to the changing environment in which we operate.

WWL has developed a comprehensive three-year Strategic Plan and will continue to develop the annual Business Plans that will see those strategies delivered. These plans are informed by the various governing documents/frameworks we are required to operate within as well as providing details on our activities and approach.

The Strategic Plan will continue to be regarded as a living, dynamic document and will be amended as necessary to reflect changes in the property market and in stakeholder expectations.

Approach

Strategy development and planning are regular activities in WWL's business year and take into account long, medium and short term horizons that can be reviewed and aligned to changing circumstances. WWL ensures that the annual business plan and staff's individual work plans are aligned with and support delivery of the strategy.

This Year's Delivery

- Work closely with WCC to ensure that strategies and plans support and are supported by the city's objectives, and meet the requirements outlined in the Council's Letter of Expectation
- Ensure that organisational and individual KPIs are determined prior to the beginning of the financial year and follow the approaches and deliverables outlined in the Strategic Plan – by 1 July 2009
- Review WWL's current standard and methods of reporting and implement areas identified for improvement – ongoing
- Preparation of comprehensive transitional plans to ensure a smooth handover to the Council – June 2010

GOVERNANCE

Strategic Objective

To provide strong, well-focused Board leadership for WWL that enables the organisation to achieve its objectives by ethical and robust decision making at a strategic and policy level and provide input into specific operational issues when required.

Directors are appointed by the shareholder and usually serve three year terms. This ensures a regular turnover of Directors, bringing new views and skills to the board table. There are five Directors on the Board.

The Board includes one Director who is also a WCC Councillor which further strengthens liaison between WCC and WWL.

WWL's Board has the task of meeting its obligations of running a "public" company at the same time as meeting the multi-dimensional complexities arising from being a politically accountable Council Controlled Organisation. The Board has a commitment to timely and effective communication and positive working relationships with WCC and its various committees.

Approach

As with any company, the board sets the tone and exemplifies the values of the organisation. Best practice examples provided by the Institute Of Directors have been embraced as guidelines.

Because of the environment in which WWL operates, the Board has always played a key role in the delivery of the company strategy.

In fostering good governance practices we are continually monitoring the separation of the various roles and responsibilities of management, the Board, and WCC.

Relationships are fostered with our shareholder, the WCC, so that its commitment to WWL, as its waterfront implementation manager, is reinforced, and that the value and principles enshrined in the key governance documents continue to be recognised. These documents are:

- Wellington Harbour Board and Wellington City Council Vesting and Empowering Act 1987
- Constitution of Lambton Harbour Management Limited (Wellington Waterfront Ltd)
- Overview Agreement between WCC and Lambton Harbour Management Limited (Wellington Waterfront Ltd)
- Property Trust Deed
- Statement of Intent
- The Wellington Waterfront Framework
- Foreshore and Seabed Act 2004

This Year's Delivery

- Ensure that WCC is kept fully apprised of WWL's activities through regular formal meetings with WCC representatives - ongoing
- Work with WCC's CCO Performance Sub-Committee to monitor Key Performance Indicators agreed for WWL in the waterfront's development – ongoing
- Review Board practices and processes to maintain the distinction between governance and management – ongoing as part of the role of WWL's People and Performance Committee
- Following last year's comprehensive Board self-assessment perform a follow-up Governance Review questionnaire – July 2009

INTERNAL SYSTEMS AND PROCESS

Strategic Objective

To have disciplined and consistent implementation of our strategies and project plans, comply with legislative requirements and have sound internal controls that protect assets and operations from undetected fraud or theft.

It has become increasingly important to document, standardise and review the systems in place for project delivery; consultation and resource consents, property maintenance, asset management and health and safety. A comprehensive Corporate Manual assists in ensuring that delivery in each area of the business is consistent.

This manual will also aid a smooth hand-over from WWL to the WCC on completion of the waterfront project.

Risk management plans across each of WWL's work-streams have also been combined within a single Risk Management Policy. WWL has consulted with the WCC's Risk Assurance team to ensure all risks significant to the City Council are also identified. This Risk Management Policy is contained within the Corporate Manual.

Approach

This objective is met through ongoing reviews and updates of WWL's Corporate Manual accounting procedures, information management processes and systems and staff's individual work plans. The meeting of legislative compliance requirements also assists in ensuring that assets are protected and fraud or theft cannot go undetected.

This Year's Delivery

- Preparation of comprehensive transitional plan in anticipation of the eventual handover of assets and management to WCC
- Review accounting procedures and information management processes - ongoing
- Ensure compliance with legislative requirements – ongoing
- Review WWL's archiving system and progressively digitalise information storage. It is anticipated this will be a separate project as part of the requirements for transition to WCC

FINANCE

Strategic Objective

Ensure that all development proposals are able to be funded as and when required and that all financial reporting is in accordance with General Accepted Accounting Practices (GAAP)

With limited funding resources available to us from WCC, we need to ensure we prioritise our projects, maximise financial returns from commercial developments, while at the same time complying with various prescribed Wellington Waterfront Framework and operational guidelines.

During 2006/07, WWL advised WCC that delays in the timing of WWL's receipt of some commercial proceeds had occurred, resulting in a temporary funding shortfall in WWL's cash flow. In June 2007 Council approved temporary additional funding to cover this shortfall until the proceeds from the development sites have been received. This will not increase the amount of funding of \$15 million already agreed by the WCC.

In December 2008 WCC reviewed the operation of the waterfront. A detailed review was performed on the long term financial implications for the waterfront and these were included in the Council's LTCCP.

As a consequence of the Hilton hotel not proceeding, the Overseas Passenger Terminal proceeds being delayed by Environment Court appeal, and delays in other site redevelopment due to the economic environment, our temporary funding at each year-end has been re-assessed and is shown overleaf.

WWL has adopted the International Financial Reporting Standards in conjunction with WCC.

Approach

To ensure the necessary funding is available to meet WWL's and the Project's funding requirements at the appropriate time we continue to maintain and enhance a dynamic financial model to manage our cash-flow.

Forecast financial statements are produced, as required by WCC and outlined in its Letter of Expectation.

WWL also actively manages risks and insurances so that any ill-effects from occurrences are controlled.

This Year's Delivery

- Continuously monitor financial resources and outcomes to ensure the necessary funding is available to meet WWL's and the Project's requirements at the appropriate time
- Review all financial management processes and where necessary upgrade.
- Actively manage risks and insurances so that effects from occurrences are controlled – by March 2010

In support of this Business Plan the financial statements include:

- A forecast statement of financial performance
- A forecast statement of financial position
- A forecast statement of cash flows
- Any other forecast financial statements required by GAAP
- A reconciliation of net cash flows from operating activities to the net surplus / (deficit) in the operating statement
- A statement of movement in equity or taxpayers' funds

We are required to provide the above budgeted requirements for each quarter of 2008/09.

Financial Plan

The financial plan adheres to Council's policy that:

- Revenue made on the waterfront is used to fund expenditure on the waterfront, and
- A contribution of up to \$15 million to fund public space and waterfront operating costs, plus an annual management fee, will be made in the period to the completion of waterfront development set out in the Waterfront Framework.
- WWL has received Council approval for short term funding to complete contracted public space expenditure over the three years covered by this Strategic Plan. This short term funding will be repaid as commercial proceeds are received (tbc).

Forecast WCC funding by year (excluding the Management Fee)

	WCC Operating Contribution	WCC Capital Contribution	WCC Contribution TSB Bank Arena upgrade	WCC Temporary Additional Funding / (Repaying)	Total WCC Contribution
	\$ million	\$ million	\$ million	\$ million	\$ million
2005/06 (actual)	-	4.00	-	-	4.00
2006/07 (actual)	-	7.25	0.32	-	7.57
2007/08	-	3.75	1.80	3.90	9.45
2008/09	-	-	-	0.75	0.75
2009/10	-	-	-	4.70	4.70
2010/11	-	-	-	1.50	1.50
2011/12	-	-	-	9.75	9.75
Beyond 2011/12 #	-	-	-	(20.60)	(20.60)
Total	-	15.00	2.12	-	17.12

Borrowing repaid on receipt of commercial proceeds.

Of the WCC's capital contribution of \$15m, \$4.00m was drawn down in 2005/06 to enable Stage 1 of Waitangi Park to be completed. \$7.25m was drawn down in 2006/07 to enable the commencement of the committed Kumutoto public space and in 2007/08 the balance (\$3.75m) was drawn down to complete the Kumutoto public space development.

The Financial Plan also allows for the continued WCC funding of the management fee which covers the annual operating costs (payroll, governance, IT and administration) of Wellington Waterfront Limited. The Company proposed, as part of a restructuring of operations, to reduce the management fee to from \$1.65m to \$1.2m from 1 July 2009.

The Financial Plan includes the following schedules:

1. Schedule of Commercial Developments

Shows the forecast proceeds from commercial developments each year based on the project plan programme.

2. Schedule of Public Space Developments and Other Capital Expenditures

Shows the forecast expenditure on Public Space and other capital expenditure projects for each year based on the Project Plan.

3. Funding Schedule

Shows the Wellington Waterfront Project forecast receipts and payments and the proposed funding mechanisms and amounts.

4. Earnings Statement (Statement of Financial Performance)

The forecast annual Statement of Financial Performance.

Rental income is forecast to decline significantly over the next few years as income generating assets are either released for long term development or are replaced by developed public space.

Gains on the realisation of assets are now projected in years beyond 2011/12 as the long term lease of development sites is completed.

Depreciation costs are expected to increase over the same period as public space developments are completed.

5. Statement of Assets and Liabilities (Statement of Financial Position)

The forecast annual statement of financial position.

6. Movements in Equity

The forecast annual movements in the Wellington Waterfront Project's equity.

WCC's equity in the Wellington Waterfront Project is projected to increase from \$139.9m (June 2007) to \$156.8m (June 2011).

7. Cash Funds Schedule

A detailed forecast of annual receipts and payments.

CCO: Wellington Waterfront Project
Business Plan 2009/10

SCHEDULE OF COMMERCIAL DEVELOPMENTS		2009/10	2010/11	2011/12	2012 and beyond	Total
		\$m	\$m	\$m	\$m	\$m
Summary of Commercial Developments		0.000	0.000	0.000	34.725	34.725

SCHEDULE OF PUBLIC SPACE DEVELOPMENTS AND OTHER CAPITAL EXPENDITURE		2009/10	2010/11	2011/12	2012 and beyond	Total
		\$m	\$m	\$m	\$m	\$m
Kumutoto - Sites 8 to 10 public space					2.000	2.000
Queens Wharf - Square / Promenade / Outer - T					1.250	1.250
Hunter Street traffic control measure	0.500					0.500
Frank Kitts Park				5.000		5.000
Wharewaka	0.373					0.373
Taranaki Street Wharf (TSW)	0.440		1.000			1.440
TSW traffic control measures	0.100					0.100
OPT public space					1.500	1.500
Chaffers Marina - maintenance			0.250			0.250
Chaffers Marina - relocation					0.400	0.400
Wharf maintenance*	1.415			4.521	4.070	10.006
Kumutoto PS - WC	0.400					0.400
Minor Works	0.200		0.100	0.100		0.400
Total		3.428	1.350	9.621	9.220	23.619

*Note: Wharf maintenance excludes Overseas Passenger Terminal wharf structure and assumes Outer-T repaired to a minimum level only.

CCO: Wellington Waterfront Project
Business Plan 2009/10

FUNDING SCHEDULE	2009/10	2010/11	2011/12	Total
	\$m	\$m	\$m	\$m
Receipts				
Operating	5.226	5.299	4.175	14.701
Proceeds from commercial developments	0.000	0.000	0.000	0.000
Total receipts	5.226	5.299	4.175	14.701
Payments				
Waterfront operating costs	6.724	5.297	4.527	16.548
Public space developments	3.428	1.350	9.621	14.399
Total payments	10.152	6.647	14.148	30.947
Net cash surplus/(deficit)	-4.926	-1.347	-9.973	-16.246
Funded by:				
Realisation of / (investment in) term deposits	0.361			0.361
Wellington City Council contributions - TSB Arena funding				0.000
Wellington City Council contributions - Drawdown (balance of \$15M)				0.000
Wellington City Council contributions - Borrowing	4.700	1.500	9.750	15.950
Total funding	5.061	1.500	9.750	16.311
Funding from Wellington City Council				
Contributions for waterfront operational costs				0.000
Contributions for public space developments	4.700	1.500	9.750	15.950
Total Wellington City Council Funding	4.700	1.500	9.750	15.950

CCO: Wellington Waterfront Project
Business Plan 2009/10

\$x000's

		EARNINGS STATEMENT						
Estimate 30-Jun-09	Revenue	Qtr to 30-Sep-09	Qtr to 31-Dec-09	Qtr to 31-Mar-10	Qtr to 30-Jun-10	Total YE 30-Jun-10	Total YE 30-Jun-11	Total YE 30-Jun-12
3,857	Trading Income	979	978	978	1,223	4,157	4,231	4,306
	WCC Grants					-		
	Other Grants					-		
	Sponsorships and Donations					-		
	Investment Income					-		
	Other Income					-		
3,857	Total Revenue	979	978	978	1,223	4,157	4,231	4,306
	Expenditure							
7,489	Employee Costs	1,740	1,376	1,287	1,250	5,654	4,539	4,602
2,240	Other Operating Expenses	560	560	560	560	2,240	2,240	2,240
300	Depreciation				570	570	758	1,125
10,029	Interest	2,301	1,936	1,848	2,380	8,464	7,537	7,967
	Total Expenditure	(1,321)	(959)	(870)	(1,157)	(4,307)	(3,306)	(3,661)
(6,172)	Net Surplus/(Deficit) before Taxation					0		
	Taxation Expense							
(6,172)	Net Surplus/(Deficit)	(1,321)	(959)	(870)	(1,157)	(4,307)	(3,306)	(3,661)
-160.0%	Operating Margin	-135.0%	-98.1%	-89.0%	-94.6%	-103.6%	-78.1%	-85.0%

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\$x000's

Estimate 30-Jun-09	STATEMENT OF FINANCIAL POSITION						As at 30-Jun-11	As at 30-Jun-12
	As at 30-Sep-09	As at 31-Dec-09	As at 31-Mar-10	As at 30-Jun-10				
	76,386	76,386	76,386	76,386	76,386	76,386	76,386	
Share Capital/Settled Funds	22,540	22,540	22,540	22,540	22,540	22,540	22,540	
Revaluation Reserves	74,244	74,235	73,666	74,359	73,752	81,041	81,041	
Restricted Funds	173,170	173,161	172,592	173,285	172,678	179,967	179,967	
Retained Earnings								
Total Shareholder/Trust Funds								
	592	410	351	135	288	65	65	
Current Assets	500	500	500	500	400	300	300	
Cash and Bank	125	125	125	125	125	125	125	
Accounts Receivable	1,217	1,035	976	760	813	490	490	
Other Current Assets								
Total Current Assets								
	0	0	0	0	0	0	0	
Investments								
Deposits on Call								
Other Investments								
Total Investments								
	179,397	180,207	179,696	182,024	182,283	199,515	199,515	
Non-Current Assets	1,766	1,766	1,766	1,766	1,766	1,766	1,766	
Fixed Assets	181,163	181,973	181,462	183,790	184,049	201,281	201,281	
Other Non-current Assets								
Total Non-current Assets								
	182,380	183,007	182,438	184,550	184,862	201,771	201,771	
Total Assets								
	1,214	1,200	1,200	1,200	750	750	750	
Current Liabilities								
Accounts Payable and Accruals								
Provisions								
Other Current Liabilities								
Total Current Liabilities								
	7,150	7,800	7,800	9,350	10,850	20,600	20,600	
Non-Current Liabilities	846	846	846	715	584	453	453	
Loans - WCC	7,996	8,646	8,646	10,065	11,434	21,055	21,055	
Loans - Other								
Other Non-Current Liabilities								
Total Non-Current Liabilities								
	173,170	173,161	172,592	173,285	172,678	179,968	179,968	
Net Assets								
	1.0	0.9	0.8	0.6	1.1	0.7	0.7	
Current Ratio								
	96.5%	94.6%	94.6%	9%	9%	89%	89%	
Equity Ratio								

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MOVEMENTS IN EQUITY	2010	2011	2012
Statement of Movements in Equity			
Opening Balance	171,692	173,285	172,679
Net Profit / (Loss) after Tax	(4,307)	(3,306)	(3,661)
Commercial Development proceeds	0	0	0
Total recognised revenues and expenses for the year	(4,307)	(3,306)	(3,661)
Contributions from WCC			
Equity Contributions for Public Space	4,700	1,500	9,750
Equity Contributions for Operations	0	0	0
Equity Contributions for Management Fee	1,200	1,200	1,200
Total WCC Equity Contributions	5,900	2,700	10,950
Equity as at 30th June	173,285	172,679	179,968

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CASH FUNDS SCHEDULE	June		
	2010	2011	2012
Public Space Fund			
Receipts			
WCC Equity Contribution / Loan Financing	4,700	1,500	9,750
TSB Arena Development - WCC Contribution	0	0	0
Total Receipts	4,700	1,500	9,750
Payments			
Public Space Improvements	3,428	1,350	9,621
Total Payments	3,428	1,350	9,621
Net Transactions for Period	1,272	150	129
Brought Forward Balance	(7,056)	(5,784)	(5,634)
Balance at end of Period	(5,784)	(5,634)	(5,505)
Commercial Development Fund			
Receipts			
Proceeds from Commercial Developments	0	0	0
Total Receipts	0	0	0
Payments			
Commercial Development costs	0	0	0
Total Payments	0	0	0
Net Transactions for Period	0	0	0
Brought Forward Balance	9,021	9,021	9,021
Balance at end of Period	9,021	9,021	9,021
Operations Fund			
Receipts			
WCC Equity Contribution - WWL Fee	1,200	1,200	1,200
Receipts from customers	4,024	4,075	4,151
Interest Received	2	24	24
Other			
Total Receipts	5,226	5,299	5,375
Payments			
Operating Expenses before Int, Tax, Depc'n	5,654	4,539	4,602
Working Capital Adjustments - Payables	500	0	0
Loan payments / interest	570	758	1,125
Total Payments	6,724	5,297	5,727
Net Transactions for Period	(1,498)	3	(352)
Brought Forward Balance	(1,604)	(3,102)	(3,099)
Balance at end of Period	(3,102)	(3,099)	(3,451)
Net Cash at end of Period	135	288	65