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**REPORT 3**  
(1215/52/02/IM)

**REVIEW OF THE PERFORMANCE OF ALL COUNCIL  
CONTROLLED ORGANISATIONS FOR THE QUARTER  
ENDED 31 DECEMBER 2009**

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**1. Purpose of Report**

To provide the Subcommittee with an analysis of the performance of all Council Controlled Organisations (and other selected entities) for the quarter ended 31 December 2009, in compliance with the Local Government Act 2002 and Council reporting requirements.

**2. Recommendations**

It is recommended that the Subcommittee:

1. *Receive the information.*
2. *Recommend that the Strategy and Policy Committee notes the following matters with regard to the second quarter 2009/10 performance of Council Controlled Organisations:*
  - a) *The Basin Reserve Trust has completed the construction of the off-field practice wicket and already received positive feedback and the highest possible rating from the International Cricket Council.*
  - b) *Council officers continue to work with Capacity to finalise the new Service Level Agreement and anticipate having it signed by the end of April 2010.*
  - c) *Positively Wellington Tourism received \$1 million additional funding from the Government for its Australia marketing campaign. The campaign has already started and the Australian visitor numbers are performing particularly well.*
  - d) *The St James Theatre Charitable Trust received Council approval to go overdrawn in January but expects to be back in credit before June 2010.*
  - e) *Cable car passenger numbers have been down on last year; however, passenger numbers over the medium term are likely to be helped by the imminent reopening of Carter Observatory.*

- f) *The Museums Trust continues to perform well with visitor numbers and revenue targets higher than budget. The Trust offered a range of exhibition and public programmes and celebrated 10 years of Museum of Wellington City and Sea. The transition of Carter to the Museums Trust is progressing as planned.*
  - g) *The Zoo successfully tendered the catering operations during January and February and announced Mojo as the new operator starting 1 March 2010.*
  - h) *Wellington Regional Stadium Trust had a very good second quarter which included hosting the sell-out All Whites game to secure a place in the Football World Cup. The year-to-date surplus is well above budget and the annual result should also comfortably exceed the original budget.*
  - i) *The Karori Sanctuary Visitor Centre Project continues on time and on budget and it is due to open to the public on 2 April 2010.*
3. *Recommend that the Strategy and Policy Committee notes that the Council Controlled Organisation Performance Subcommittee continues to monitor the Karori Sanctuary Visitor Centre project at the direction of the Strategy and Policy Committee and that, further to the previous Council Controlled Organisation Performance Subcommittee update report on 7 December 2009, the next update report is included within this report.*
  4. *Note that as per the report to Council Controlled Organisation Performance Subcommittee on 7 December 2009, officers continue to monitor the key risks and action any ensuing issues emanating from their ongoing monitoring and any additional risks highlighted by the Financial Healthchecks.*
  5. *Note any other issues for the Chair to raise with the Strategy and Policy Committee in regard to this report.*
  6. *Note any issues for the Chair to raise with the entities covered by this report.*

### **3. Background**

It is a requirement of the Local Government Act 2002 (the Act) that where the Council is a shareholder in a council organisation it must regularly undertake performance monitoring of that organisation to evaluate its contribution to the achievement of:

- The Council's objectives for the organisation
- The desired results, as set out in the organisation's statement of intent
- The Council's overall aims and outcomes.

The Council Controlled Organisations Performance Subcommittee (CCOPS) is tasked with the assessment of the efficiency and effectiveness of each entity. Officers have included a brief overview that includes the agreed Key Performance Indicators and financial summaries. The issues that have been identified from officers' reviews are included in this covering report.

## **4. Entities covered by this report**

### **4.1 Council Controlled Organisations**

To comply with statutory requirements, officers will report quarterly to the Subcommittee on the performance of Council Controlled Organisations (CCOs). These are:

- Basin Reserve Trust
- Capacity Infrastructure Services Ltd
- Positively Wellington Tourism
- St James Theatre Charitable Trust
- Wellington Cable Car Ltd
- Wellington Museums Trust
- Wellington Waterfront Ltd
- Wellington Zoo Trust

### **4.2 Wellington Regional Stadium Trust**

A Court of Appeal ruling clarified the Trust's status and confirmed that it is not a CCO. It is included in this report because of the materiality of the Council's financial commitment to the Trust and the Trust's contribution to Council outcomes.

### **4.3 Council Organisations**

At previous CCOPS meetings it was recommended that a number of Council Organisations also be monitored on a quarterly basis. Accordingly, the following entities have been included within this quarter:

- The Karori Sanctuary Trust
- Wellington International Airport Limited (Public Excluded)

### **4.4 Visitor Centre Project**

Following the Karori Sanctuary's request for additional loan funding, and the initiation of a governance review, CCOPS has also undertaken to monitor the Visitor Centre project.

## **5. Issues for the Subcommittee to consider**

### **Council Controlled Organisations:**

#### **5.1 *Basin Reserve Trust***

The majority of the construction work on the off-field practice wicket happened during the quarter. The project is largely funded by a \$450k capex grant from Council and it is being managed by the Trust. It has been delivered on budget and on time and the Trust has already received positive feedback about the quality of the new facility. The Trust also undertook considerable maintenance and repair work on the venue.

#### **5.2 *Capacity Infrastructure Services Ltd***

Council and Capacity officers continue to work together to agree the new Service Level Agreement (SLA). The agreement will continue to be a tripartite one, including Hutt City Council. Officers anticipate having it signed by the end of April.

At February end, the Company was still estimating a full year overspend on the Council's opex budget (excluding stewardship accounts). The majority of this estimated overspend is driven by under-budgeted reactive works. At February end, Capacity was anticipating underspending the Council's capex budget and around \$3 million of capex was expected to be carried forward. At this stage, the Company believes that it is on track to deliver its \$432k annual savings target for the Council for 2009/10; however, it should be noted that the savings target may be impacted by the capex carry forward.

The difficulties observed with the service requests responded to within one hour data in Q1 appear to have been largely resolved. However, the Council will continue to monitor these metrics closely to ensure it is confident that information is accurate and meets reporting requirements.

#### **5.3 *Positively Wellington Tourism (Partnership Wellington Trust)***

Australian visitor numbers for the quarter to 31 December were 13% ahead of the same quarter in 2008 and direct international arrivals to Wellington airport show an increase of almost 12%. The Trust received confirmation of \$1 million from the Government to promote Wellington in Australia. PWT worked with Carter Observatory and the Karori Sanctuary on the launch and marketing campaigns for the openings that are planned for late March 2010.

#### **5.4 St James Theatre Charitable Trust**

St James approached the Council for approval to use its overdraft facility in January, as required by their Trust Deed. This has been foreshadowed for some time, as during the quieter summer months the Trust is increasingly experiencing cash flow difficulties. The actual level of overdraft fluctuates, but the Trust remains confident that they will be back into credit before year end.

A significant factor in improving the cash flow has been the bi-ennial Arts festival where the Trust has hosted some well-received shows including *Inside Out* and *Good Morning Mister Gershwin*. The Trust is also scheduled to be very busy until the end of the year with a range of comedy, ballet, opera and successful West End productions such as *Miss Saigon* and *Waiting for Godot*.

The venues review, undertaken by the Francis Group, has reported its initial findings with regard to the operations of the Wellington Convention Centre and the St James Trust. Officers are now following up this recommendation with analysis of the tax, legal and financial implications of such a proposal.

#### **5.5 Wellington Cable Car Ltd**

Cable car passenger numbers were down against budget and the previous year, primarily due to the inclement weather and tough economic conditions. This trend continued into January, although passenger numbers in February were up on last year. Passenger numbers over the medium term are likely to be helped by the imminent reopening of Carter Observatory.

The Company's overall year-to-date surplus is roughly in line with budget. Maintenance work on the trolley bus overhead network has continued this year and is expected to be completed in line with forecasts. Work continues on the technical review report looking at the trolley bus overhead network.

#### **5.6 Wellington Museums Trust**

During the quarter the acclaimed *Yayoi Kusama: Mirrored Years* exhibition at the redeveloped City Gallery Wellington welcomed over 55,000 visitors. Other Trust's institutions also performed strongly with visitor numbers ahead of budget. The Trust offered a range of exhibitions and public programmes and celebrated ten years of the Museum of Wellington City and Sea in November. The Trust has been working closely with the Council and Carter to develop the transition strategy. The transition of Carter into the Museums Trust is progressing as planned.

### **5.7 Wellington Waterfront Ltd**

The Company successfully completed the construction of the temporary motorhome park on site 10, while construction of the wharewaka continued and phase 1 of the wharf repiling approached completion.

The Company has held the first in a series of workshops to generate some work streams that will ultimately lead to the development of a Master Plan for the entire Queens Wharf precinct. The results of the Outer-T ideas competition will be drawn into this analysis and WWL will update the Council's Strategy and Policy Committee at its meeting on 15 April on the current status of the investigations.

Following the Council's decision to retain Wellington Waterfront Limited as the manager of the waterfront projects, the Company has been asked to prepare 10 year financial forecasts as part of its 2010/11 Statement of Intent to enable officers to confirm the viability of the planned waterfront developments.

### **5.8 Wellington Zoo Trust**

Following the decision of Spotless to terminate their catering contract at the Zoo, the Zoo successfully tendered the catering operations during January and February. Mojo are the new operators and took over the running of the café and kiosk on 1 March, and are planning to completely refit the Zoo café during the winter months to give it a similar look and feel to the other Mojo cafes, whilst still incorporating individual elements to reflect the Zoo's character.

As a result of the poor weather over January and February, the Zoo was behind its visitor number target at the end of February but has a number of events planned for March, including children's day which should help to bring visitor numbers closer to target. In addition, on the 20 and 28 March the Zoo is holding a Council free family day where all Council staff and their family receive free entry to the Zoo. This is a part of the Zoo's generous donor recognition package which acknowledges the significant contribution that Council makes to its operations.

### **Other Organisations:**

### **5.9 Wellington Regional Stadium Trust**

Wellington Regional Stadium Trust had a very good second quarter which included hosting a sell-out crowd to see the All Whites secure a place in the Football World Cup. The Trust has recorded a year-to-date surplus of \$1 million, well above budget, and the annual result should also comfortably exceed the original budget. The third quarter should benefit from strong crowds at the AC/DC concerts in January and the unbudgeted Phoenix playoff games which generated good crowds.

It should be noted that the Trust had made strenuous efforts to achieve a negotiated settlement with the contractors on the roof leak and cladding deterioration issues; however, the Trust was unable to achieve a satisfactory response and court proceedings have now been issued.

#### **5.10 Wellington International Airport Limited**

In January, Wellington Airport released its Master Plan for 2030 following extensive consultation with a wide range of stakeholders on its draft, and a thorough public submission process. \$450 million is to be invested in aviation infrastructure to deliver a premier gateway for over 10 million passengers, more than double today's numbers, ensuring Wellington Airport's role as a significant driver of the region's economic growth.

Wellington Airport welcomed Air New Zealand's decision in March to reconfigure its aircraft which, based on the airline's current schedule of service, will add around 4.7% in capacity on Wellington-Tasman services.

The Airport recently announced plans to erect a Hollywood-style sign on the Miramar peninsula celebrating the location of the heart of New Zealand's burgeoning film industry, "Wellywood". Wellington Airport has resource consent to put the 28-metre-long, 3.5m-tall Wellywood sign on land it owns next to the Miramar Cutting. The U.S. trademark owners of the iconic Hollywood sign have sought legal advice on the issue - the consent was approved by the Council but can be challenged in the High Court.

#### **5.11 The Karori Wildlife Sanctuary Trust**

The Visitor Centre project is going well. The building was handed over for fit-out in early December and the exhibition installation is going well. Visitor operation activities including membership systems and retail have been developed and implemented. The final preparations for the opening on 2 April 2010 are underway. Visitor numbers for the quarter were above the budget.

Following the Karori Sanctuary's request for additional loan funding, and the initiation of the governance review, CCOPS has also undertaken to monitor the Visitor Centre project.

The Council's PMO office reports that the ongoing contingency is within the project's budget. This had tightened with the inclusion of the Café hard fit-out paid for out of the project contingency however the contingency is still looking like it will be sufficient. The building has been completed and handed over. The exhibition is programmed to be complete and handed over on the 26th of March. The opening is planned as per the schedule for the 2 April 2010.

## 6. CCO Team Forward Work Programme

The Council's Financial Accounting Team has recently undertaken a financial health check of all the CCOs and some of the more significant COs. The process comprised financial review of the performance of all the nominated entities over the last five years, up to and including the year ended 30 June 2009.

A number of key risks and key actions came to light as a result of this work which were reported at the 23 October 2009 CCOPS meeting. The risks and actions are given in the table below, along with a brief update on the current status of each item.

| <b>CCO Officers 12-month focus</b> |  |   |   |
|------------------------------------|--|---|---|
|                                    | <b><u>Area of focus</u></b>  | <b><u>CCO Officer Action</u></b>  | <b><u>Current Status</u></b>  |
| All CCOs                           | Inflation adjustment for grant funded CCOs                             | Draft discussion paper for CCOPS and SPC  | <i>Not yet allocated</i>  |
| All CCOs                           | Policy for working capital levels                                      | Draft discussion paper for CCOPS and SPC  | <i>Not yet allocated</i>  |
| All CCOs                           | Business planning alignment  | Formal request to CCOs  | <i>Informal discussions with many CCOs; formalisation via Letter of Expectation in Jan 2010</i> |
| All CCOs                           | A number of CCO trustee and director terms expired on 31 December 2009 | Officers working with CCOs and Council's Appointments Group to ensure appropriate and timely renewal / replacement of Board members | <i>CCO Appointments paper to Council on 11 December</i>   |

| <b>CCO Officers 12-month focus</b> |  |  |   |
|------------------------------------|--|--|---|
|                                    | <b><u>Area of focus</u></b>                              | <b><u>CCO Officer Action</u></b>   | <b><u>Current Status</u></b>  |
| Basin Reserve Trust                | Management and funding of asset renewals and maintenance | Project manage completion of asset management plan (AMP)                       | <i>A new initiative for a capital renewal program is included in the 2010/11 Draft Annual Plan</i>          |
|                                    | Off-field practice wickets                               | Monitor construction against key milestones                                    | <i>Project delivered on time and on budget</i>  |
|                                    |  |  |   |
| Capacity                           | Regionalisation of water services                        | Facilitate stakeholder discussion  | <i>Ongoing dialogue between Capacity and other Councils. May be looked at as part of a broader review</i>   |
|                                    | Company financial structure                              | Review operating model to see if structure is appropriate to outcomes sought   | <i>May be looked at as part of a broader review</i>   |
|                                    | Service Level Agreement                                  | Assist in finalisation where appropriate; monitor key SLA performance measures | <i>Ongoing; see separate discussion</i>   |
|                                    |  |  |   |
| PWT                                | PWT contribution to Council objectives                   | Monitor financial results and performance measures                             | <i>Visitor numbers above target, particularly Australian arrivals</i>                                       |
|                                    |  |  |   |
| St James Theatre Trust             | Management and funding of asset renewals and maintenance | Project manage completion of asset management plan                             | <i>AMP started</i>  |
|                                    | Review of Council venues                                 | Manage review process  | <i>The Francis Group has reported its initial findings. Officers are following up on the recommendation</i> |

| <b>CCO Officers 12-month focus</b> |  |  |  |
|------------------------------------|--|--|--|
|                                    | <b><u>Area of focus</u></b>  | <b><u>CCO Officer Action</u></b>   | <b><u>Current Status</u></b>   |
|                                    |  |  | <i>with analysis of the tax, legal and financial implications.</i>           |
|                                    |  |  |  |
| Wellington Cable Car Limited       | GWRC funding agreement   | Facilitate negotiations  | <i>Discussions in progress between WCCL and GWRC</i>                         |
|                                    |  |  |  |
| Wellington Zoo Trust               | Zoo Capital Plan   | Ensure key drivers (H&S, animal welfare) are addressed and that capital projects are managed within available budgets  | <i>Achieved / Ongoing</i>  |
|                                    |  |  |  |
| Karori Sanctuary Trust             | Completion of the Visitor Centre project and opening of the new facility | Increased level of monitoring of operating performance and cash position   | <i>Ongoing – Visitor Centre due to open 2 April</i>                          |
|                                    |  |  |  |
| Wellington Waterfront Ltd          | Asset Management Plan for entire waterfront                              | Work with WWL to achieve 'core' status AMP by 31 December 2010   | <i>Good progress – improved data and a measureable improvement programme</i> |
|                                    | 2010/11 Waterfront Development Plan                                      | Draft currently being prepared for SPC on 15 April seeking approval to consult; draft amended to reflect consultation feedback as appropriate before finalising 2010/11 work programme | <i>On target to have WDP approved by SPC on 17 June 2010</i>                 |
|                                    |  |  |  |

## **7. Conclusion**

A short report prepared by officers is given for each entity's quarterly report which summarises the information for the quarter. The issues for the Subcommittee to consider have been determined after review of the documents by officers and discussion with the entities. After considering these reports, the Subcommittee can, if it considers it appropriate to do so, draw any matters to the attention of the Strategy and Policy Committee.

If it considers that it will help clarify the information presented or assist with its monitoring role the Subcommittee can also ask the Chair to seek responses from a Board or Trust Chair to any queries it may have. These responses will then be tabled at the next meeting of the Subcommittee.

Contact Officers:

*Ian Clements, Portfolio Manager, Council Controlled Organisations*  
*Maree Henwood, Portfolio Manager, Council Controlled Organisations*  
*Natasha Petkovic-Jeremic, Portfolio Manager, Council Controlled Organisations*

## **Supporting Information**

**1) Strategic Fit / Strategic Outcome**

*These entities and projects support the achievement of a range of outcomes across most strategic areas. Where relevant, reference is made to the 2009/10 Annual Plan.*

**2) LTCCP/Annual Plan reference and long term financial impact**

*Please refer to the individual covering report that prefaces each entity.*

**3) Treaty of Waitangi considerations**

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

**4) Decision-Making**

*This is not a significant decision.*

**5) Consultation**

**a) General Consultation**

*A draft of each entity report will be circulated to the individual entity, with comments passed on to the sub-committee as appropriate*

**b) Consultation with Maori**

*See section 3, above.*

**6) Legal Implications**

*The Council's lawyers have been consulted during the year as part of normal operations. There are no new legal issues raised in this report.*

**7) Consistency with existing policy**

*This report is consistent with existing WCC policy.*

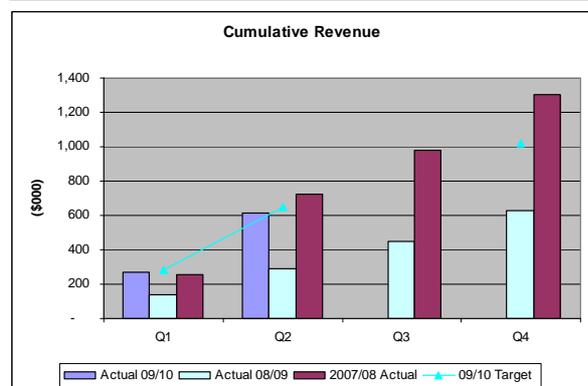
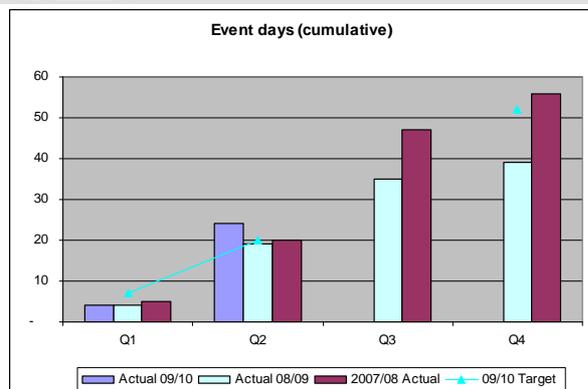
## Quarterly Review – Basin Reserve Trust

The Basin Reserve Trust has presented its report for the quarter ended 31 December 2009 for review. A summary of key findings is presented below and the full report is attached.

### Highlights: achievements

- The Trust hosted the New Zealand vs. Pakistan test match in December. The International Cricket Council rated the wicket 'very good', the highest possible rating.
- Work continued on the major project: off-field practice facilities. The programme is on schedule for the nets to be operational mid-February and in time for the visiting Australian series in mid-March 2010.

### Performance



### Macro Key Performance Indicators

The following KPIs have been reported by the Trust.

| Measure   | Annual Target       | Q2 Target | Q2 Actual |
|---|---------------------|-----------|-----------|
| No. of events                                     | 31                  | 4         | 7         |
| No. of event days                                 | 52                  | 13        | 20        |
| Cricket surface to international playing standard | measured annually   |           |           |
| Event income - \$                                 | \$100,000           | \$74,500  | \$68,417  |
| Non-event income - \$                             | 75% of total income | \$570,800 | \$543,414 |

The cricket surface KPI is reported annually.

Event Income is under budget due to lower than planned ground hire. Non-event Income is under budget due to reduced Scoreboard Screen hireage.

### Activities during the quarter

- Off-field practice facilities project is progressing well
- The Trust has addressed viewing problems of the northern sightscreen. Panels that are coated with a technology that allows one way viewing through the screen have been installed atop the current sightscreen structure.
- The Trust hosted the New Zealand vs. Pakistan test match in December. The ground presented very well and performed to its usual high standard
- The cricket programme has put scheduling pressures on hosting other non-cricket events. The Trust has been negotiating the availability of the venue with former hirers including Carols by Candlelight, Summerset music etc but no suitable date could be found.
- The Trust undertook considerable maintenance and repair work on the venue; the cricket oval received its annual renovation.

### Financial Commentary

- The Trust is obliged to record the off-field practice wicket as income and has also capitalised the corresponding expenditure which it will vest to Council on completion. As a result the Trust shows an operating surplus of \$158k.
- After adjusting for the above the Trust has achieved an operating deficit after depreciation of \$66k for the quarter.
- The off-field practice wicket will be an asset vested in Council upon its completion. The Trust currently records this under its non-current assets.

### Statement of Financial Performance

For the quarter ended 31 December 2009

| \$'000            | Q2 Actual | Q2 Budget | YTD Actual | YTD Budget | FY Budget |
|-------------------|-----------|-----------|------------|------------|-----------|
| Income            | 340       | 365       | 612        | 645        | 1,020     |
| Expenditure       | 182       | 198       | 318        | 341        | 732       |
| Surplus           | 158       | 167       | 294        | 304        | 288       |
| Operating surplus | (66)      | (57)      | (62)       | (52)       | (162)     |
| Operating margin  | -55%      | -40%      | -24%       | -18%       | -2%       |

### Statement of Financial Position

As at 31 December 2009

| \$'000                  | YTD Actual | FY 2008/09 Actual | FY Budget |
|-------------------------|------------|-------------------|-----------|
| Current assets          | 204        | 176               | 195       |
| Non-current assets      | 2,102      | 1,752             | 1,966     |
| Current liabilities     | 170        | 87                | 95        |
| Non-current liabilities | -          | -                 | -         |
| Equity                  | 2,136      | 1,928             | 2,066     |
| Current ratio           | 1.2 : 1    | 2 : 1             | 1.9 : 1   |
| Equity ratio            | 93%        | 100%              | 95%       |

### Statement of Cash Flows

As at 31 December 2009

| \$'000          | YTD Actual | FY 2008/09 Actual | FY Budget |
|-----------------|------------|-------------------|-----------|
| Operating       | 473        | 182               | 571       |
| Investing       | (472)      | (166)             | (500)     |
| Financing       | -          | (33)              | -         |
| Net             | 1          | (17)              | 71        |
| Closing balance | 74         | 73                | 148       |

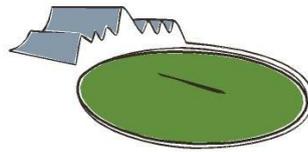
Note: FY Budgets are as approved in the SOI.

Contact officer:

Natasha Petkovic-Jeremic

## Profile – Basin Reserve Trust

The Basin Reserve Trust was formally established on 24<sup>th</sup> February 2005 to manage and operate the Basin Reserve.



## Basin Reserve Trust

The Trustees are appointed by Cricket Wellington (2) and the Wellington City Council (2), and they have appointed Cricket Wellington to undertake the day to day management role.

### Entity Data

|                     |  |   |
|---------------------|--|---|
| Established         | 24 February 2005   |   |
| Board               | Doug Catley (Chair) <i>(CW appointee)</i><br>Cr John Morrison<br>Glenn McGovern<br>Don Neely <i>(CW appointee)</i> | <i>Term expires:</i><br>February 2011<br>Oct 2010<br>31 Dec 2011<br>February 2011 |
| CEO                 | Gavin Larsen   |   |
| Balance date        | 30 June  |   |
| Number of FTE staff | 0  |   |
| Website             |  |   |
| Type of entity      | Charitable Trust   |   |
| LGA designation     | CCO  |   |
| By reason of        | Board control: 50% of Trustees appointed by Council  |   |
| Council interest    | \$180,000  |   |
| Type of interest    | Annual operating grant   |   |



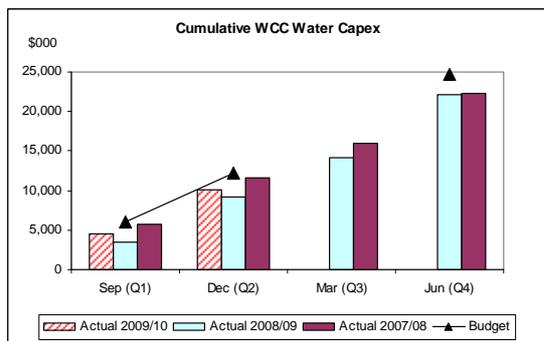
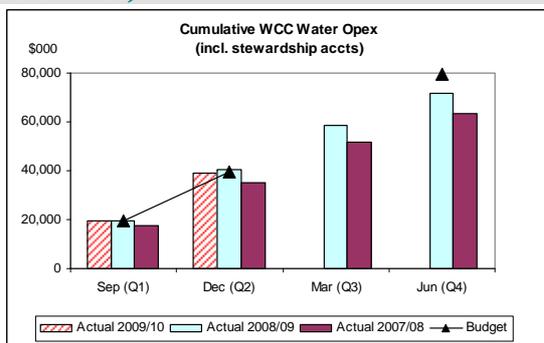
## Quarterly Review – Capacity Infrastructure Services Limited

Capacity has presented its report for the quarter ended 31 December 2009 for review. A summary of key findings is presented below and the full report is attached.

### Highlights / Financial Summary

- YTD Capacity's income was \$7k below budget and costs were \$41k below budget. The YTD surplus was \$26k, compared to a budgeted deficit of \$8k.
- The UHCC contract had a \$26k surplus YTD. This is largely a timing issue based on labour allocation and Capacity expects this contract to be profit-neutral (after overhead contribution) for the year.
- Total YTD expenditure was 1% (\$41k) under budget, with personnel expenditure 1% (\$28k) below budget and operations 3% (\$21k) above budget. The higher operations costs were largely driven by the IT and telecommunications categories.

### Performance (expenditure relating to WCC infrastructure)



### Key Performance Indicators

- At December end, Capacity expected to deliver an underspend (\$375k relating to WCC) on the combined capex program of \$24.8m for 2009/10.
- At December end, Capacity expected to deliver an overspend (\$321k relating to WCC) on the combined opex program of \$42.6m (excluding stewardship accounts) for 2009/10.
- Capacity reported savings of \$85k in WCC labour and consultancy costs YTD (\$101k for Q1). This is below Capacity's forecasts due to higher than expected design costs for specialist capex projects. The Company expects to meet the full year \$432k savings target.
- The WCC summary asset management plan for 2010/11 was completed on time. Capacity is currently working on the plans for HCC and UHCC in order to meet their deadlines.
- The rolling average labour productivity rate YTD was 82.6% (target of 80%); this excludes leave and unavailable time.
- There were no reports of non-compliance with financial, technical or regulatory standards during the first quarter.

### Activities during the quarter

- The Company continues to work on a new SLA with WCC officers. This is expected to be completed by the end of April.
- Design work and tender documents for the Messines Road reservoir are in the final stages.
- The difficulties observed with the service requests responded to within one hour data in Q1 appear to have been largely resolved. However, the Council will continue to monitor these metrics closely to ensure it is confident that information is accurate and meets reporting requirements.

### Underlying Financial Commentary

- The Council's internal reports show a \$2.2m underspend on capex for the YTD December 2009 (was \$1.6m for Q1). This reflects the fact that at quarter end substantial work was yet to commence on a number of projects. At December end, the Company expected that the capex budget would be almost fully spent by the end of the year.
- At first glance the Council's reports show \$556k underspent on opex for YTD December 2009. However, excluding stewardship accounts which the Company does not control, Capacity has overspent the Council's opex budget by \$324k for YTD December 2009 (was \$335k for Q1). This largely reflects under-budgeted reactive works and is expected to continue for the full year.
- At the end of December, excluding stewardship accounts, the opex budget was expected to be overspent by \$321k for the full year (was \$65k for Q1).

Note that individual project expenditure is reported within the shareholding councils. The performance charts list the aggregate project expenditure being managed on behalf of WCC. Financial performance figures below refer to the company's income/expenditure.

### Statement of Financial Performance

For the quarter ended 31 December 2009

| \$000                | Q2     | YTD    | YTD    | 2009/10   |
|----------------------|--------|--------|--------|-----------|
|                      | Actual | Actual | Budget | FY Budget |
| Income               | 1,871  | 3,646  | 3,653  | 7,378     |
| Expenditure          | 1,841  | 3,620  | 3,661  | 7,378     |
| Net surplus / (loss) | 29     | 26     | (8)    | -         |

### Statement of Financial Position

As at 31 December 2009

| \$000                   | YTD     | 2008/09      | 2009/10   |
|-------------------------|---------|--------------|-----------|
|                         | Actual  | FY Actual YE | FY Budget |
| Current assets          | 1,374   | 1,305        | 1,135     |
| Non-current assets      | 94      | 53           | 9         |
| Current liabilities     | 1,167   | 1,083        | 768       |
| Non-current liabilities | -       | -            | -         |
| Equity                  | 301     | 275          | 376       |
| Current ratio           | 1.2 : 1 | 1.2 : 1      | 1.5 : 1   |
| Equity ratio            | 21%     | 20%          | 33%       |

### Statement of Cash Flows

For the quarter ended 31 December 2009

| \$000           | YTD    | 2008/09   | 2009/10   |
|-----------------|--------|-----------|-----------|
|                 | Actual | FY Actual | FY Budget |
| Operating       | 146    | 112       | 130       |
| Investing       | (49)   | (15)      | -         |
| Financing       | -      | -         | -         |
| Net             | 97     | 97        | 130       |
| Closing balance | 480    | 383       | 294       |

Note: FY Budgets are as approved in the Business Plan.

Contact officer: Maree Henwood

## Profile - Capacity Infrastructure Services Limited

Capacity Infrastructure Services Limited is a council controlled trading organisation established in April 2004. Its primary role is to manage the water, wastewater and stormwater assets of its shareholding councils. Currently the shareholders are Hutt City Council and Wellington City Council. Capacity also manages the water, wastewater and stormwater assets of Upper Hutt City Council under a service agreement.



In addition to the long term management of these assets, Capacity was established with the objective and ability to pursue the development of related opportunities with other local authorities and organisations.

### Entity Data

|                     |  |                                     |
|---------------------|--|-------------------------------------|
| Established         | 5 April 2004   |                                     |
| Board               | Peter Allport (Chair)  | <i>Term expires:</i><br>31 Dec 2010 |
|                     | Ian Hutchings  | 30 Jun 2012                         |
|                     | Peter Leslie   | 31 Dec 2010                         |
|                     | Cr Andy Foster (WCC)   | Oct 2010                            |
|                     | John Strahl  | 31 Dec 2012                         |
|                     | Cr Ray Wallace (HCC)   | 31 Dec 2010                         |
| CEO                 | David Hill   |                                     |
| Balance date        | 30 June  |                                     |
| Number of FTE staff | 64   |                                     |
| Website             | <a href="http://www.capacity.net.nz">www.capacity.net.nz</a>               |                                     |
| Type of entity      | Company  |                                     |
| LGA designation     | CCTO   |                                     |
| By reason of        | Board control: all trustees appointed by shareholding Councils             |                                     |
| Council interest    | \$376,000 (book value)   |                                     |
| Type of interest    | 50% Shareholding (class A shares); 63% Financial Interest (class B shares) |                                     |

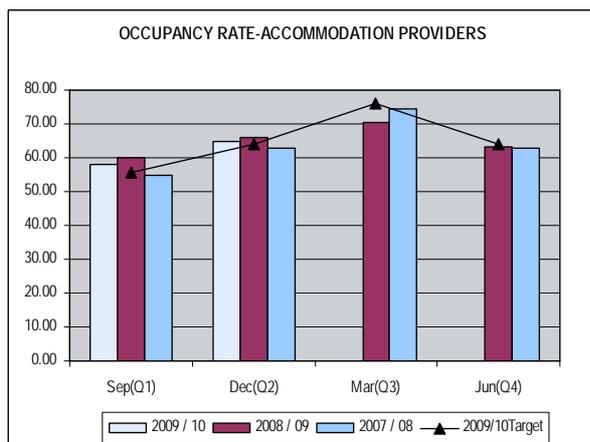
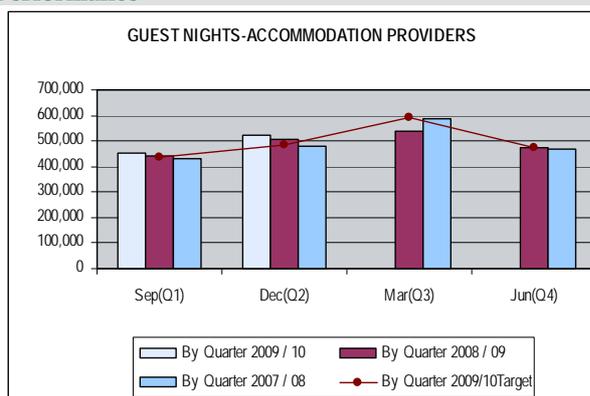
## Quarterly Review – Positively Wellington Tourism

Positively Wellington Tourism has presented its report for the quarter ended 31 December 2009 for review. A summary of key findings is presented below and the full report is attached.

### Highlights: achievements

- The number of Australian visitors to Wellington for the period increased by 13% on the same period in the previous year.
- There was a 4.72% increase in total domestic visitor nights for this period against the same period last year.
- There were 125 stories about Wellington tourism and/or PWT in the quarter, compared with 56 in the same period last year. This media coverage was 90% positive.
- PWT received confirmation of \$1 m from the Government to match funds raised locally to promote Wellington in Australia.

### Performance



### Macro Key Performance Indicators

The following KPIs have been reported by the Trust.

| Measure                                       | Annual Target                   | Quarter Target | Quarter Actual  |
|---|---------------------------------|----------------|-----------------|
| International direct arrivals to Wgtn Airport | Within -10% of 2008/09 numbers* |                | 11.79% increase |
| Number of Visitor Nights – Domestic           | 2% growth above 2008/09 levels  |                | 4.72% increase  |
| Number of Visitor Nights – International      | Within -10% of 2008/09 numbers  |                | 0.67% decrease  |
| W/E rooms sold in partner hotels              | 2% above 2008/09                |                | 4.6% increase   |
| Australian arrivals to Wellington             | maintain 2008/09 levels*        |                | 12.67% increase |
| Downtown weekend visitation                   | Within 10% of 2008/09 levels    |                | 3.7% decrease   |

\* Australian marketing funding is not received yet

Contact officer: Natasha Petkovic-Jeremic

### Activities during the quarter

- PWT has achieved a number of its KPIs with Australian visitor numbers performing particularly well. On-line sales have generated \$363k YTD.
- The City Gallery re-launch exhibition *Yayoi Kusama: Mirrored years* and the Te Papa exhibition *A day in Pompeii* were advertised in this quarter
- PWT worked with Carter Observatory and Zealandia on the launch and marketing plans.
- Research was undertaken in Sydney, Melbourne and Brisbane working with 8 focus groups to inform the Australian marketing campaign
- The shuttle service for cruise passengers was reinstated
- Worked in conjunction with WCC and Grow Wellington on the implementation of the Marketing and Communications activities for Wellington city and region for the Rugby World Cup 2011.

### Financial Commentary

- The i-Site is performing well, 7.7% ahead of the budget. The i-Site had over 100,000 visitors in this quarter.
- PWT has a \$485k Q2 surplus which appears to be the result of under-spend of the domestic and online marketing due to a change in timing of TV campaigns
- Income from partners is slightly above forecast for the quarter.

### Statement of Financial Performance

For the quarter ended 31 December 2009

| \$'000            | Q2 Actual | Q2 Budget | YTD Actual | YTD Budget | FY Budget |
|-------------------|-----------|-----------|------------|------------|-----------|
| Income            | 2,730     | 2,446     | 4,889      | 4,431      | 9,103     |
| Expenditure       | 2,244     | 2,446     | 4,387      | 4,431      | 9,103     |
| Operating surplus | 485       | -         | 502        | -          | -         |

Operating margin 18% 0% 10% 0% 0%

NB: Income is gross surplus from trading net of COGS

### Statement of Financial Position

As at 31 December 2009

| \$'000                  | YTD Actual | 2008/09 YE Actual | FY Budget |
|-------------------------|------------|-------------------|-----------|
| Current assets          | 1,690      | 1,263             | 760       |
| Non-current assets      | 199        | 226               | 240       |
| Current liabilities     | 862        | 963               | 559       |
| Non-current liabilities | -          | -                 | -         |
| Equity                  | 1,027      | 526               | 441       |
| Current ratio           | 1.9:1      | 1.3:1             | 1.4:1     |
| Equity ratio            | 54%        | 35%               | 44%       |

### Statement of Cash Flows

For the quarter ended 31 December 2009

| \$'000          | YTD Actual | 2008/09 FY Actual | FY Budget |
|-----------------|------------|-------------------|-----------|
| Operating       | 412        | 359               | 203       |
| Investing       | (47)       | (117)             | (153)     |
| Financing       | -          | -                 | -         |
| Net             | 365        | 242               | 50        |
| Closing balance | 1,397      | 1,032             | 513       |

Note: FY Budgets are as approved in the Business Plan.

## Profile - Positively Wellington Tourism

Positively Wellington Tourism is Wellington's official tourism organisation. It is a charitable trust, funded by [Wellington City Council](#).



PWT markets Wellington as New Zealand's ultimate urban destination. Positively Wellington Tourism has identified arts, education, events, sports and venues, food, beverage and retail as the city's six "sectors of excellence".

Positively Wellington Tourism's Convention Bureau targets people who would like to hold their meetings in Wellington. The Wellington Visitor Information Centre helps visitors once they are in the city, as well as those who visit our city online.

As well as working with Wellington City Council, PWT works with the private sector in our goal to create economic and social benefit for Wellington City.

### Entity Data

|                     |   |  |
|---------------------|---|--|
| Established         | 1997  |  |
| Board               | Ruth Pretty<br>Cr Jo Coughlan<br>Mike O'Donnell<br>Kim Wicksteed<br>Glenys Coughlan (Chair)<br>Peter Monk<br>John Milford | <i>Term expires:</i><br>31 Dec 12<br>Oct 10<br>31 Dec 10<br>31 Dec 11<br>31 Dec 12<br>31 Dec 11<br>31 Dec 10 |
| CEO                 | David Perks   |  |
| Balance date        | 30 June   |  |
| Number of FTE staff | 27.5  |  |
| Website             | <a href="http://www.wellingtonnz.com">www.wellingtonnz.com</a>  |  |
| Type of entity      | Council-settled Trust   |  |
| LGA designation     | CCO   |  |
| By reason of        | Board control: all trustees appointed by Council  |  |
| Council interest    | \$4.940m  |  |
| Type of interest    | Operating Grant   |  |



## Quarterly Review – St James Theatre Trust

The St James Theatre Trust has presented its report for the quarter ended 31 December 2009 for review. A summary of key findings is presented below and the report is attached.

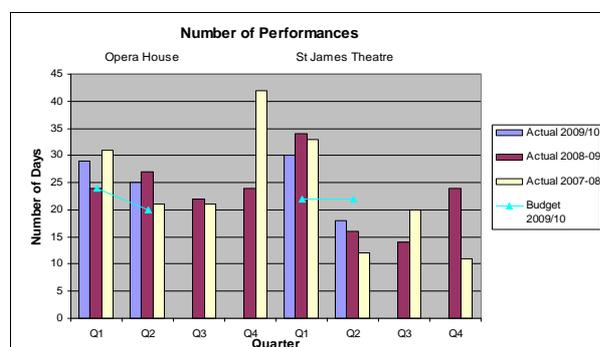
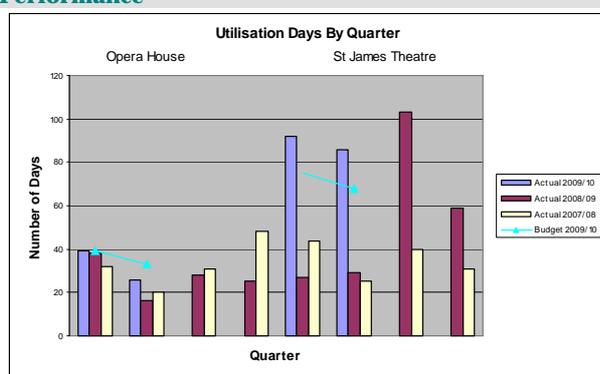
### Highlights: achievements

- The quarter was very busy, especially for the St James, with performances from the NBR NZ and the Royal NZ Ballet, a 4 week cabaret season and a Dave Dobbyn 30-year anniversary performance
- The Opera House also held a number of performances though mostly only 1-2 night acts
- Chris Parkin and Sam Knowles had their terms as trustees extended to 31 December 2012 and Juliet McKee's term expired with Derek Fry, the Council's Director of RWC 2011 being appointed for a 6 month term.

### Activities during the quarter

- The Trust worked with Council officers to develop a new initiative for the 2010/11 Draft Annual Plan, for funding assistance for capital renewals of the Trust buildings
- The website was revamped during the quarter
- A number of shows intended for community groups and non-traditional audiences were held during the quarter
- The aggregate number of events and performances is behind target for both venues and while the Opera House has not achieved its utilisation target, the St James has exceeded its target by 25% (though this includes café usage).

### Performance



### Macro Key Performance Indicators

The following KPI's have been agreed as part of the Statement of Intent as required by the Local Government Act 2002

| Measure                               | Annual Target | Quarter Target | Quarter Actual |
|---------------------------------------|---------------|----------------|----------------|
| <b>Number of Performances:</b>        |               |                |                |
| St James Theatre                      | 76            | 22             | 16             |
| Opera House                           | 84            | 20             | 25             |
| <b>Number of Perf. days utilised:</b> |               |                |                |
| St James Theatre                      | 100           | 22             | 41             |
| Opera House                           | 100           | 22             | 21             |
| <b>Number of Non-Perf. Events</b>     |               |                |                |
| St James Theatre                      | 210           | 45             | 38             |
| Opera House                           | 60            | 14             | 7              |
| <b>Total number of days utilised:</b> |               |                |                |
| St James Theatre                      | 286           | 68             | 86             |
| Opera House                           | 144           | 33             | 26             |

### Financial Commentary

- The Trust's YTD operating surplus before interest and depreciation is \$91k compared to a budgeted \$178k surplus. The main reasons for this are:
  - Event revenue is 13% behind budget essentially due to promoters being unwilling to take on risk during the economic downturn
  - The Trust's budgeted revenue includes \$200k funding from the Council's Events Development Fund which was not approved
- Some significant cost savings were made through the Trust moving to the Council's insurance broker
- The revised year-end forecast is for a \$3k profit before depreciation, \$169k less than originally budgeted.

### Statement of Financial Performance

For the quarter ended 31 December 2009

| \$'000            | Q2 Actual | Q2 Budget | YTD Actual | YTD Budget | FY Budget |
|-------------------|-----------|-----------|------------|------------|-----------|
| Income            | 973       | 1,241     | 2,411      | 2,585      | 4,679     |
| Expenditure       | 1,038     | 1,173     | 2,653      | 2,748      | 5,141     |
| Operating surplus | (65)      | 68        | (242)      | (163)      | (462)     |
| Operating Margin  | -7%       | 5%        | -10%       | -6%        | -10%      |

### Statement of Financial Position

As at 31 December 2009

| \$'000                  | YTD Actual | 2008/09 Actual | FY Budget |
|-------------------------|------------|----------------|-----------|
| Current assets          | 336        | 547            |           |
| Non-current assets      | 19,077     | 19,377         |           |
| Current liabilities     | 889        | 1,104          |           |
| Non-current liabilities | 590        | 644            |           |
| Equity                  | 17,934     | 18,176         |           |
| Current ratio           | 0.4 : 1    | 0.5 : 1        |           |
| Equity ratio            | 92%        | 91%            |           |

### Statement of Cash Flows

For the quarter ended 31 December 2009

| \$'000          | YTD Actual | 2008/09 Actual | FY Budget |
|-----------------|------------|----------------|-----------|
| Operating       | 119        | (95)           |           |
| Investing       | (7)        | (88)           |           |
| Financing       | (51)       | (97)           |           |
| Net             | 61         | (280)          |           |
| Closing balance | 171        | 111            |           |

Note: FY Budgets are as approved in the Business Plan.

Contact officer:

Ian Clements

## Profile - St James Theatre



The rejuvenated St James continues to provide a permanent home for The Royal New Zealand Ballet and offers the best stage for dance in the country. The refurbished auditorium and back of house facility is of an international standard.

The Jimmy, a street level café/bar, open all day and into the evening, adds to the vibrancy of Wellington's Courtenay Place theatre precinct.

Through diverse programming and partnerships with local and international tour promoters, the St James Theatre remains a focus for the performing arts of this country.

The St James has been recognised by New Zealand Historic Places Trust as a Category I building of outstanding cultural and historical significance and is considered one of the finest lyric theatres in Australasia.

### *The Opera House*

The Opera House has been a social and entertainment venue for successive generations in Wellington. It has housed a variety of events including Opera, Drama, Public Meetings, Concerts and Ballets. Originally known as the Grand Opera House, it was designed by Melbourne Architect William Pitt and supervised by Architect Albert Liddy. Opening day was Easter Saturday in 1914.

The building has been classified as a Historic Building by the Historic Places Trust of New Zealand and awarded an "A" classification.

### Entity Data

|                     |   |  |
|---------------------|---|--|
| Established         | 1997  |  |
| Board               | Chris Parkin (Chair)<br>Cllr Stephanie Cook<br>Sam Knowles<br>Juliet McKee (term expired)<br>Roger Miller<br>Pele Walker<br>Derek Fry | <i>Term expires:</i><br>31 Dec 12<br>Oct 10<br>31 Dec 12<br>31 Dec 09<br>31 Dec 11<br>31 Dec 10<br>30 Jun 2010 |
| CEO                 | Craig Goodall   |  |
| Balance date        | 30 June   |  |
| Number of FTE staff | 17  |  |
| Website             | <a href="http://www.stjames.co.nz">www.stjames.co.nz</a>  |  |
| Type of entity      | Council-settled Trust   |  |
| LGA designation     | CCO   |  |
| By reason of        | Board control: all trustees appointed by Council  |  |
| Council interest    | \$155k  |  |
| Type of interest    | Annual OPEX grant   |  |

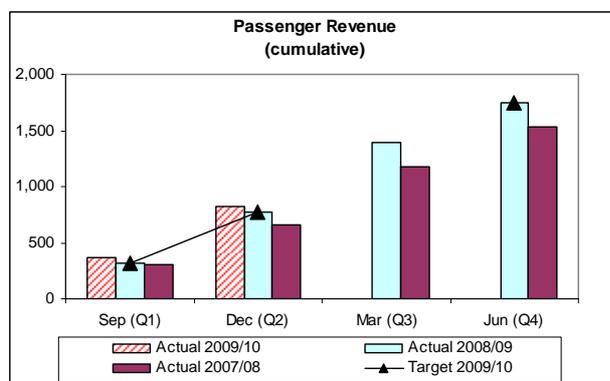
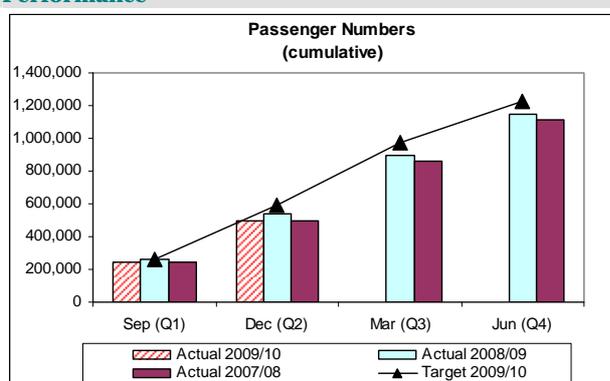
## Quarterly Review – Wellington Cable Car Limited

Wellington Cable Car Limited has presented its report for the quarter ended 31 December 2009 for review. A summary of key findings is presented below and the full report is attached.

### Highlights / Summary

- Cable car passenger numbers YTD are 15% below budget (per the SOI) and 7% below the same period in 2008/09, primarily due to the inclement weather during the period and tough economic conditions.
- Funding agreement discussions are continuing with GWRC regarding the overhead trolley bus network, but the budget for the current year has been agreed upon.
- The Technical Review Group is continuing to work on its technical report on the trolley bus overhead network.
- Further preparatory work in Manners Mall has been undertaken.

### Performance



### Macro Key Performance Indicators

The following KPIs have been reported by the company:

| Measure                   | Annual Target | Quarter Target | Quarter Actual | YTD Target  | YTD Actual  |
|---------------------------|---------------|----------------|----------------|-------------|-------------|
| Passenger trips           | 1,250,000     | 330,000        | 257,114        | 590,000     | 499,577     |
| Estimated % Visitors      | 75%           | 70%            | Approx. 79%    | Approx. 68% | Approx. 72% |
| Cable Car reliability (%) | 99%           | 99%            | 99.9%          | 99%         | 99.8%       |
| Fare income \$k           | 1,744         | 462            | 458            | 775         | 820         |

- Pole replacements for the overhead network are still behind budget (because of weather conditions), but the forecast of around 125 poles is expected to have been replaced by year end (2008/09 – 104 replaced).
- It is expected that all planned wire replacements for the overhead network will be completed for the year per the AMP; most recently work has been done in Brooklyn.

Contact officer:

Maree Henwood

### Activities during the quarter

- Routine maintenance of the cable car was undertaken. The annual survey was also completed in Q2, including the scheduled change of the rope.
- It should be noted the Company is changing its quarterly reporting for non-project related overhead network reimbursements from GWRC received in advance of incurring the related costs. Previously these amounts were included as income; the Company now accounts for them as prepayments.

Please note that the Company budgets and approved 2009/10 Business Plan have not been revised for this change and reflect the previous basis of reporting. This change does not impact the annual result.

### Financial Commentary

- The Q2 operating deficit of \$6k was well below the budgeted surplus of \$116k. This is due to the \$59k deficit on the overhead network (which will reverse by year end so that the annual spend should be close to budget), higher than budgeted cable car operating expenses due to timing issues, and a lower than forecast surplus from external activities operations.
- However, the YTD surplus of \$81k is roughly in line with budget (\$83k).
- Q2 cable car fare income was 1% (\$4k) below budget, despite passenger numbers being 22% below the SOI forecast. This reflects the fact that management budgets incorporated a lower passenger target. Actual passengers were 5.5% below management budget estimates for Q2.

### Statement of Financial Performance

For the quarter ended 31 December 2009

| \$000             | Q2     |        | YTD    |        | 2009/10<br>FY Budget |
|-------------------|--------|--------|--------|--------|----------------------|
|                   | Actual | Budget | Actual | Budget |                      |
| Income            | 1,298  | 1,735  | 2,450  | 2,987  | 6,530                |
| Expenditure       | 1,304  | 1,346  | 2,370  | 2,554  | 6,201                |
| Operating surplus | (6)    | 116*   | 81     | 83*    | 329*                 |
| Operating margin  | (0.4)% | 6.7%   | 3.3%   | 2.8%   | 5.0%                 |

### Statement of Financial Position

As at 31 December 2009

| \$000                   | YTD     |                      | 2008/09<br>FY Actual | 2009/10<br>FY Budget |
|-------------------------|---------|----------------------|----------------------|----------------------|
|                         | Actual  | 2008/09<br>FY Actual |                      |                      |
| Current assets          | 1,899   | 2,143                | 2,143                | 1,774                |
| Non-current assets      | 6,090   | 6,217                | 6,217                | 5,989                |
| Current liabilities     | 763     | 1,085                | 1,085                | 318                  |
| Non-current liabilities | 747     | 747                  | 747                  | 735                  |
| Equity                  | 6,479   | 6,528                | 6,528                | 6,710                |
| Current ratio           | 2.5 : 1 |                      | 2.0 : 1              | 5.6 : 1              |
| Equity ratio            | 81%     |                      | 78%                  | 86%                  |

### Statement of Cash Flows

For the quarter ended 31 December 2009

| \$000           | YTD    |                      | 2008/09<br>FY Actual | 2009/10<br>FY Budget |
|-----------------|--------|----------------------|----------------------|----------------------|
|                 | Actual | 2008/09<br>FY Actual |                      |                      |
| Operating       | 152    | 784                  | 784                  | 95                   |
| Investing       | (22)   | (68)                 | (68)                 | 31                   |
| Financing       | (138)  | (336)                | (336)                | -                    |
| Net             | (8)    | 380                  | 380                  | 126                  |
| Closing balance | 829    | 837                  | 837                  | 977                  |

Note: 2009/10 FY Budget is as approved in the Business Plan. However, the Company's budget has been updated since that time. The budgeted operating surplus is now \$359k.

\* Budgets have not been adjusted for prepayment accounting change. As a result, budgeted overhead division income less costs does not always equate to operating surplus.

## Profile - Wellington Cable Car Limited

Wellington Cable Car Limited (WCCL) is a wholly owned subsidiary of the Council.

The company owns, maintains and operates the cable car assets. The cable car operation does not receive any external funding or subsidy.

It also owns and is responsible for maintenance of the trolley bus overhead wire network. Income is derived from the overhead wire network from: contract payments from the regional council to cover maintenance; third party projects requiring the overhead network to be relocated or modified; pole occupancy rentals; and a management fee for handling high load escorts through the city.



## Entity Data

|                     |  |   |
|---------------------|--|---|
| Established         | 1 July 1991  |   |
| Board               | Roger Drummond (Chair)<br>Christine Southey<br>Jeremy Ward                     | <i>Term expires:</i><br>31 Dec 2011<br>31 Dec 2010<br>31 Dec 2010 |
| CEO                 | Des Laughton   |   |
| Balance date        | 30 June  |   |
| Number of FTE staff | 17.5   |   |
| Website             | <a href="http://www.wellingtoncablecar.co.nz">www.wellingtoncablecar.co.nz</a> |   |
| Type of entity      | Company  |   |
| LGA designation     | CCTO   |   |
| By reason of        | Board control: all Directors appointed by Council                              |   |
| Council interest    | \$3.81 million ( <i>book value</i> )   |   |
| Type of interest    | 100% Shareholding  |   |

## Quarterly Review – Wellington Museums Trust

Wellington Museums Trust has presented its report for the quarter ended 31 December 2009 for review. A summary of key findings is presented below and the report is attached.

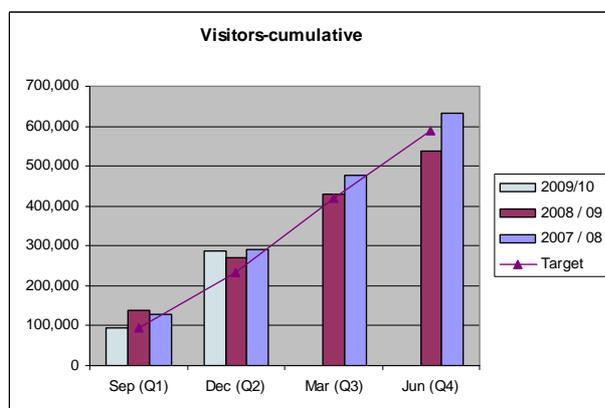
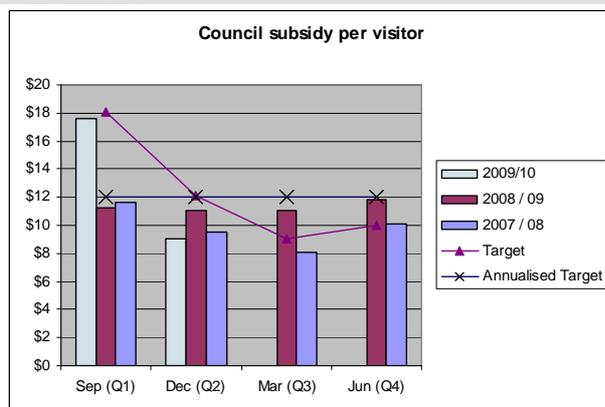
### Highlights: achievements

- City Gallery Wellington was successfully re-launched at the end of Q1 and it welcomed over 55,000 visitors during this quarter. The year to date visitor target for all Trust institutions has been exceeded by almost 63,000 visitors
- In the year to date, the Trust has presented 15 new temporary exhibitions (against an annual target of 10), it is on track to achieve targets of 4 theatre productions and 10 nationally and internationally toured products
- The Trust almost achieved its yearly event visitor target, with over 32,000 people enjoying the Trust public programmes.

### Activities during the quarter

- The Trust catalogued over 1,300 objects and 1,400 photographs during the quarter
- The number of visitors is above the budget for the period with almost all entities performing well above the target.
- The Trust offered a wide ranging exhibition and public programme, including eight temporary exhibitions, community tours and cross-institutional annual events.
- Museum of Wellington developed and presented two new charged-for visitor experiences aimed at the tourism market.
- The visitor experience at the Museum of Wellington City & Sea is being reviewed ahead of the development of a ten-year refreshment programme.

### Performance



### Macro Key Performance Indicators

The following KPIs have been agreed as part of the Statement of Intent as required by the Local Government Act 2002:

| Measure                                | Annual Target | Q2 Target | Q2 Actual |
|--|---------------|-----------|-----------|
| Attendance Targets                     |               |           |           |
| - City Gallery                         | 180,000       | 30,000    | 55,241    |
| - Capital E                            | 90,000        | 30,000    | 32,276    |
| - Museum of Wellington                 | 90,000        | 21,000    | 29,268    |
| - Plimmer's Ark *                      | n/a           |           |           |
| - Colonial Cottage                     | 2,000         | 400       | 356       |
| - Cable Car Museum                     | 224,400       | 58,000    | 72,533    |
| - Cricket Museum                       | 2,000         | 500       | 863       |
| Subsidy Per Customer                   | \$12.00       | \$12.32   | \$9.05    |
| Non-Council revenue (excluding rental) | 30%           | 30%       | 41%       |

\* Visitation not counted

Contact officer:

Natasha Petkovic-Jeremic

### Financial Commentary

- The Trust has recorded significantly higher than budget revenue due to the successful *Yayoi Kusama: Mirrored Years* exhibition at the City Gallery. This is partly offset by higher security and host wages with additional staff being employed to handle increased visitor numbers.
- The Trust has exceeded its non-Council revenue target

### Statement of Financial Performance

For the quarter ended 31 December 2009

| \$'000            | Q2 Actual | Q2 Budget | YTD Actual | YTD Budget | FY Budget |
|-------------------|-----------|-----------|------------|------------|-----------|
| Income            | 2,506     | 2,210     | 4,629      | 4,520      | 8,826     |
| Expenditure       | 2,436     | 2,448     | 4,595      | 4,628      | 9,184     |
| Operating surplus | 70        | (238)     | 34         | (108)      | (358)     |
| Operating Margin  | 2.8%      | (10.8%)   | 0.7%       | -2.4%      | -4.3%     |

### Statement of Financial Position

As at 31 December 2009

| \$'000                  | YTD Actual | 2008/09 YE | FY Budget |
|-------------------------|------------|------------|-----------|
| Current assets          | 1,097      | 731        | 719       |
| Non-current assets      | 4,770      | 4,773      | 4,586     |
| Current liabilities     | 1,081      | 703        | 830       |
| Non-current liabilities | 162        | 212        | 138       |
| Equity                  | 4,624      | 4,589      | 4,337     |

|               |        |        |        |
|---------------|--------|--------|--------|
| Current ratio | 1.01:1 | 1.04:1 | 0.87:1 |
| Equity ratio  | 79%    | 82%    | 82%    |

### Statement of Cash Flows

For the quarter ended 31 December 2009

| \$'000          | Q2 Actual | 2008/09 FY Actual | FY Budget |
|-----------------|-----------|-------------------|-----------|
| Operating       | (671)     | 341               | 71        |
| Investing       | (104)     | (102)             | 0         |
| Financing       | (27)      | (111)             | (100)     |
| Net             | (802)     | 128               | (29)      |
| Closing balance | 478       | 254               | 126       |

Note: FY Budgets are as approved in the Business Plan.

## Profile – Wellington Museums Trust

The Wellington Museums Trust includes the following institutions:

**City Gallery Wellington**, located in the Civic Square, creates a focus for contemporary visual arts, architecture and design in Wellington through local, national and international exhibitions including international exchanges and joint ventures with other art museums.



**Capital E** for children is a creative technology and performance facility in the Civic Square. It provides professional theatre for young people through Capital E's National Theatre for Children, hands-on creative technology learning experiences through its ONTV Studio and SoundHouse New Zealand, and stimulating holiday programmes and events

**Museum of Wellington City & Sea** is located in the historic Bond Store building on Queen's Wharf. The Museum strives to preserve, present and promote Wellington's social history and maritime heritage.

**Wellington Cable Car Museum** preserves and promotes Wellington's early cable car system, recognising its special contribution to the city's heritage. The Museum is located in the historic Winding House at the top of the cable car route.

**Colonial Cottage Museum**, Nairn Street, was built in 1858 and is central Wellington's oldest identified building. It has been preserved and furnished to provide visitors with an experience of mid 19<sup>th</sup> century living.

**Plimmer's Ark Galleries** includes the conservation project of recovered timbers at Queens Wharf and in situ at the Old Bank Arcade.

**New Zealand Cricket Museum**, Managed under an agreement with the New Zealand Cricket Museum Trust. Located in the historic stand at the Basin Reserve, this museum provides a special insight into the history of cricket in New Zealand.

### Entity Data

|                     |  |                      |
|---------------------|--|----------------------|
| Established         | 1995   |                      |
| Board               |  | <i>Term expires:</i> |
|                     | Vivienne Beck (Chair)  | 31 Dec 10            |
|                     | Philip Shewell   | 31 Dec 11            |
|                     | Quentin Hay  | 31 Dec 12            |
|                     | Peter Cullen   | 31 Dec 12            |
|                     | Cllr Hayley Wain   | Oct 2010             |
|                     | Rhonda Paku  | 31 Dec 10            |
|                     | Alick Shaw   | 30 June 12           |
| CEO                 | Pat Stuart   |                      |
| Balance date        | 30 June  |                      |
| Number of FTE staff | 55   |                      |
| Website             | <a href="http://www.wellingtonmuseumstrust.org.nz">www.wellingtonmuseumstrust.org.nz</a> |                      |
| Type of entity      | Council-settled Trust  |                      |
| LGA designation     | CCO  |                      |
| By reason of        | Board control: all trustees appointed by Council   |                      |
| Council interest    | \$6.77 million   |                      |
| Type of interest    | Ownership of land & buildings; Council grant   |                      |



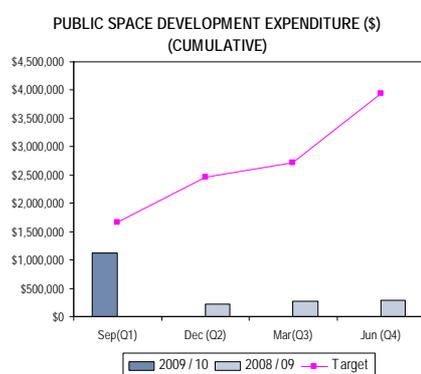
## Quarterly Review – Wellington Waterfront Limited

Wellington Waterfront Limited has presented its report for the quarter ended 31 December 2009 for review. A summary of key findings is presented below and the full report is attached.

### Highlights: achievements

- Construction started on the motorhome park on site 10
- Council approved the proposed 99 year ground lease between WWL and the Wharewaka o Poneke Charitable Trust for the construction of the Wharewaka which WWL is also project managing
- Installation of retractable bollards at the Hunter Street intersection was completed during the quarter
- Jane Black was appointed as a director on the WWL board, Michael Cashin and Robert Gray had their terms extended to December 2012 while David Kernohan's tenure ended after 6 years, in line with Council policy.

### Performance



In its Q2 report, WWL has reported against a number of performance measures from its Statement of Intent. It should be noted that due to the environment that it operates in, WWL is unable to control a number of factors influencing its achievement of the measures, for example, DPV11 and its impacts on sites 8 and 9.

Notable amongst the measures that it can largely control are:

- project management of the Wharewaka construction which has started, though completion is now scheduled for February 2011 compared to the original Q2 09/10
- phase 1 of the wharf refurbishment programme which is almost complete against a targeted completion date of Q2 09/10, and is currently under budget.

### Macro Key Performance Indicators

The following KPI's have been reported by the company

| Measure   | Annual Target        | Quarter Target | Quarter Actual |
|---|----------------------|----------------|----------------|
| % residents visiting waterfront   | 95% (2008/09 actual) |                |                |
| # Wellington Waterfront is a more interesting and exciting place to visit | 93% (2008/09 actual) |                |                |
| # project milestones achieved   |                      |                |                |
| Capital expenditure (\$ million)  | \$3.322m             | -              | \$1.911m       |
| Commercial proceeds (\$ million)  | \$nil                | -              | -              |

### Activities during the quarter

- During the quarter, the Council confirmed that WWL should continue to manage the waterfront projects, at least until a review in mid-2012
- Wharf maintenance on Taranaki Street Wharf and Queens Wharf continued during the quarter
- The proposed developments for sites 8 & 9 terminated as a result of the independent planning commissioners recommended changes to District Plan Variation 11 (DPV11)
- A combination of economic recession and DPV11 resulted in preliminary discussions with Hilton Hotels over site 10 not being progressed
- WWL progressed its asset management plan for the entire waterfront with a 'core' status expected to be achieved by December 2010
- Resource consent application for the redevelopment of Frank Kitts Park has been deferred until the Wellington Chinese Garden Society has significantly advanced its fund-raising campaign.

### Financial Commentary

- The YTD deficit was \$502k better than budgeted largely due to planning costs being underspent by \$392k; this is expected to be made up by year-end
- YTD capital expenditure is \$1.9m against a budget of \$2.7m - the main areas of expenditure are wharf maintenance, the motorhome and the Hunter Street traffic control
- The main underspends against the capital budget are on the motorhome (\$285k), Taranaki Street Wharf traffic control (\$100k), wharf maintenance (\$185k) and the Wharewaka (\$143k); all these projects apart from the Wharewaka were due for completion in Q2
- As at 31 December 2009, WWL had borrowed \$6.75m from Council.

### Statement of Financial Performance

For the quarter ended 31 December 2009

| \$'000                        | Q2 Actual | Q2 Budget | YTD Actual | YTD Budget | FY Budget |
|-------------------------------|-----------|-----------|------------|------------|-----------|
| Income                        | 1,038     | 1,003     | 2,071      | 2,007      | 4,208     |
| Expenditure                   | 2,068     | 2,189     | 3,997      | 4,435      | 9,280     |
| Operating surplus / (deficit) | (1,030)   | (1,186)   | (1,926)    | (2,428)    | (5,072)   |

### Statement of Financial Position

As at 31 December 2009

| \$'000                  | YTD Actual | 2008/09 Actual | FY Budget |
|-------------------------|------------|----------------|-----------|
| Current assets          | 8,288      | 9,040          | 760       |
| Non-current assets      | 162,457    | 161,566        | 183,790   |
| Current liabilities     | 1,383      | 2,266          | 1,200     |
| Non-current liabilities | 6,751      | 4,401          | 10,065    |
| Equity                  | 162,611    | 163,939        | 173,285   |
| Current ratio           | 6 : 1      | 4 : 1          | 0.6 : 1   |
| Equity ratio            | 95%        | 96%            | 94%       |

### Statement of Cash Flows

As at 31 December 2009

| \$'000          | YTD Actual | 2008/09 Actual | FY Budget |
|-----------------|------------|----------------|-----------|
| Operating       | (237)      | (1,261)        | (2,811)   |
| Investing       | (349)      | 1,226          | 2,628     |
| Financing       | -          | -              | -         |
| Net             | (586)      | (35)           | (183)     |
| Closing balance | 129        | 390            | 243       |

Note: FY Budgets are as approved in the Business Plan.

Contact officer: Ian Clements

## Profile - Wellington Waterfront Limited

Wellington Waterfront Limited (WWL) is a wholly owned subsidiary of the Council.

The Company is proprietor of approximately 20 hectares of land as bare trustee for the Council. The land – on the seaward side of the road – stretches from Wellington Railway Station to the Overseas Passenger Terminal. It also includes 12 hectares of harbour bed.

WWL manages the Lambton Harbour Development Project (the Project). From 1987 this was a joint venture between the Council and the Wellington Harbour Board. In 1989 the Harbour Board was dissolved, and its interests transferred to the Council. The waterfront has progressively been transformed from a working industrial port to one of the city's key recreational areas. Development is guided by the Wellington Waterfront Framework, which covers issues relating to the character of the waterfront.

WWL is letting contracts for commercial developments, generally for long term leases. This commercial income contributes significant funding to the public space developments. The balance is funded by the Council.

The Project was scheduled for completion by 2007 at a cost to Council of not more than \$15 million, plus the annual management fee. However, it is currently anticipated that waterfront development will continue to 2009 and beyond.



In June 2007, Council approved \$15m of temporary additional funding to the Project, to be drawn down and repaid over a three year period.

In September 2009, the Council reconsidered its previous decision to transfer the management of the waterfront project into Council and confirmed that WWL should continue to manage the projects indefinitely, subject to a further review in mid 2012.

## Entity Data

|                               |  |   |
|-------------------------------|--|---|
| Established                   | 28 September 1987  |   |
| Board                         | Michael Cashin (Chair)<br>Cr Ray Ahipene-Mercer<br>David Kernohan (term expired)<br>Mark Petersen<br>Robert Gray<br>Jane Black | <i>Term expires:</i><br>31 Dec 12<br>Oct 2010<br>31 Dec 09<br>31 Dec 10<br>31 Dec 12<br>31 Dec 12 |
| CEO                           | Ian Pike   |   |
| Balance date                  | 30 June  |   |
| Number of FTE staff           | 7  |   |
| Website                       | <a href="http://www.wellingtonwaterfront.co.nz">www.wellingtonwaterfront.co.nz</a>   |   |
| Type of entity                | Company  |   |
| LGA designation               | CCTO   |   |
| By reason of Council interest | Board control: all Directors appointed by Council  |   |
| Type of interest              | \$1,000 (book value)<br>100% Shareholding  |   |

## Quarterly Review – Wellington Zoo Trust

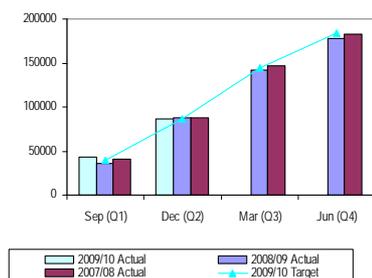
Wellington Zoo Trust has presented its report for the quarter ended 31 December 2009 for review. A summary of key findings is presented below and the report is attached.

### Highlights: achievements

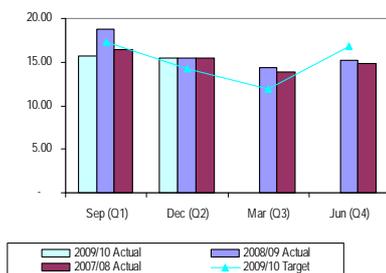
- During the quarter, the Nest – Te Kohanga and the African Village were successfully opened by the Mayor
- The Zoo won the National Peoples Choice Sustainable Business of the Year award and Karen Fifield won the HER Businesswoman of the Year Award for Sustainability and Outstanding Corporate Leadership
- Shaan Stevens and Alan Dixon were appointed as trustees to the Zoo Board while Denise Church and Philip Meyer completed their terms.

### Performance

Wellington Zoo visitor numbers (cumulative)



Council subsidy per Wellington Zoo visitor (cumulative)



### Macro Key Performance Indicators

The following KPIs have been agreed as part of the Statement of Intent as required by the Local Government Act 2002

| Measure  | Annual Target | Quarter Target | Quarter Actual |
|--|---------------|----------------|----------------|
| Number of visitors per year                                | 184,130       | 86,917 YTD     | 86,843 YTD     |
| Number of students participating in LEOTC Learning session | > 9,000       | annual measure | 7,147 YTD      |
| Conservation Programme managed species                     | > 38%         | n/a            | 41%            |
| School learning outcomes - effectiveness                   | > 97%         | annual measure | on track       |
| Average WCC subsidy per visitor                            | \$14.71       | \$14.33        | \$15.58        |
| Average Zoo shop retail spend per Zoo visitor              | > \$1.36      | \$1.36         | \$1.31         |
| Average income per visitor (excluding Council grant)       | > \$12.73     | \$13.13        | \$14.05        |
| Ratio of Trust generated income as % of WCC grant          | 87%           | 87%            | 90%            |

- The subsidy / customer is based upon the operating grant from WCC
- The retail income per visitor relates to actual purchases

### Activities during the quarter

- The Zoo started the tendering process for a new café operator following the Spotless decision to terminate the current contract
- Project progress during the quarter included the finalisation of the Meet the Locals concept design, a review of the Hub concept design following Board feedback and in light of the imminent catering change, and tendering of the lion den reconfiguration
- Workshops and training for all staff who deliver talks to visitors were held during the quarter
- The following KPI achievements were noted:
  - While the quarterly visitor numbers were down, the YTD visitor numbers are still on target
  - WCC subsidy and retail spend were below budget while income per visitor (excl. WCC grant) and Trust income to WCC grant ratio were ahead of target
  - YTD volunteer hours were 5,656 against an annual target of 9,600.

### Financial Commentary

- The Zoo's operating surplus for the quarter of \$112k has arisen largely through visitor revenue being \$73k ahead of budget and operating grants being \$76k ahead of budget; the visitor revenue surplus is due to the increased number of paying adults / children as actual visitor numbers are tracking budget
- The YTD capital funding secured by the Zoo is \$339k; YTD operating grants received total \$76k
- Some adverse budget variances include additional legal costs relating to the catering contract and below budget shop revenue.

### Statement of Financial Performance

For the quarter ended 31 December 2009

| \$'000            | Q2 Actual | Q2 Budget | YTD Actual | YTD Budget | FY Budget |
|-------------------|-----------|-----------|------------|------------|-----------|
| Income            | 1,381     | 1,317     | 2,915      | 2,519      | 5,052     |
| Expenditure       | 1,229     | 1,263     | 2,469      | 2,525      | 5,052     |
| Total Surplus     | 152       | 54        | 446        | (6)        | -         |
| Operating Surplus | 112       | 54        | 107        | (6)        | -         |
| Operating Margin  | 8%        | 4%        | 4%         | 0%         | -         |

### Statement of Financial Position

As at 31 December 2009

| \$'000                  | Q2 2009/10 Actual | 08/09 Y/E Actual | FY Budget |
|-------------------------|-------------------|------------------|-----------|
| Current assets          | 1,334             | 2,397            | 868       |
| Non-current assets      | 341               | 151              | 79        |
| Current liabilities     | 741               | 2,000            | 522       |
| Non-current liabilities | 45                | 45               | 39        |
| Equity                  | 889               | 443              | 386       |
| Current ratio           | 1.8 : 1           | 1.2 : 1          | 1.7 : 1   |
| Equity ratio            | 53%               | 17%              | 47%       |

### Statement of Cash Flows

For the quarter ended 31 December 2009

| \$'000          | 2009/10 YTD Actual | 08/09 Y/E Actual | FY Budget |
|-----------------|--------------------|------------------|-----------|
| Operating       | (523)              | 263              | (1,053)   |
| Investing       | -                  | (31)             | -         |
| Financing       | -                  | -                | -         |
| Net             | (523)              | 232              | (1,053)   |
| Closing balance | 1,128              | 1,651            | 703       |

Note: FY Budgets are as approved in the Business Plan.

Contact officer: Ian Clements

## Profile – Wellington Zoo Trust

WELLINGTON



### History of Wellington Zoo

100 years old - the oldest zoo in New Zealand

Wellington Zoo was founded in April 1906 when a young lion was presented to Wellington City by the Bostok and Wombwell Circus. The lion, named 'King Dick', after Prime Minister Richard Seddon, who had died that year, was initially housed at Wellington's Botanic Gardens along with a small collection of animals. In 1907 the City Council developed a part of Newtown Park into New Zealand's first zoo. The Zoo grew rapidly, and by 1912 around 500 animals were housed in cages, aviaries and a huge sea lion pool.

### Wellington Zoological Society

This society was largely responsible for the early growth and development of the Zoo through its donations of large numbers of animals and plants. The Second World War slowed down the Zoo's development until the 1950s, when the Zoo's role was to entertain the public with elephant rides, performing goats and chimpanzee tea parties.

### Modern approach

In line with changing attitudes, modern zoos around the world now provide more natural environments for their animals. Wellington Zoo has extensively redeveloped the tiger, monkey, lion, chimpanzee and baboon enclosures over the past 20 years. On the Tropical River Trail visitors are surrounded by a rainforest habitat, separated only by a moat from three species of primates.

Wellington Zoo is committed to a future in conservation and education. It is actively involved in international captive breeding programmes for both native and exotic endangered species. The aim is to maintain sufficient genetic diversity to sustain viable breeding populations. Equally important is the Zoo's role in raising visitors' awareness of the importance of the conservation of its resident species through keeper talks, signage and other activities.

### Entity Data

|                     |   |   |
|---------------------|---|---|
| Established         | 2003  |   |
| Board               | Linda Meade<br>Denise Church (term expired)<br>Ross Martin(Chair)<br>Frances Russell<br>Phillip Meyer (term expired)<br>Cllr Celia Wade-Brown<br>Alan Dixson<br>Shaan Stevens | <i>Term expires:</i><br>30 Jun 12<br>31 Dec 09<br>31 Dec 12<br>31 Dec 10<br>31 Dec 09<br>Oct 10<br>31 Dec 12<br>31 Dec 12 |
| CEO                 | Karen Fifield   |   |
| Balance date        | 30 June   |   |
| Number of FTE staff | 56.5  |   |
| Website             | <a href="http://www.zoo.wellingtonzoo.com">www.zoo.wellingtonzoo.com</a>  |   |
| Type of entity      | Council-settled Trust   |   |
| LGA designation     | CCO   |   |
| By reason of        | Board control: all trustees appointed by Council  |   |
| Council interest    | \$3,511 million (\$2,709 million direct grant)  |   |
| Type of interest    | Ownership of land & buildings   |   |

## Quarterly Review – Karori Sanctuary Trust

The Karori Sanctuary Trust has presented its report for the quarter ended 31 December 2009 for review. A summary of key findings is presented below and the report is attached.

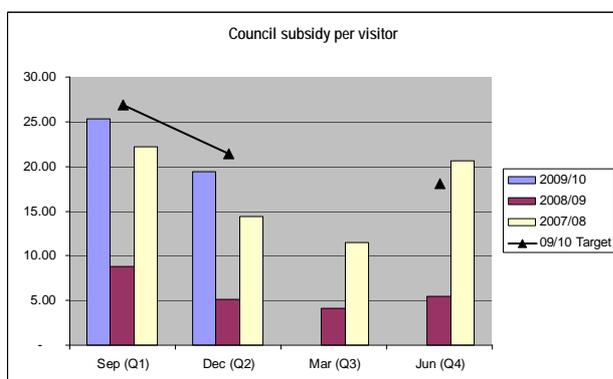
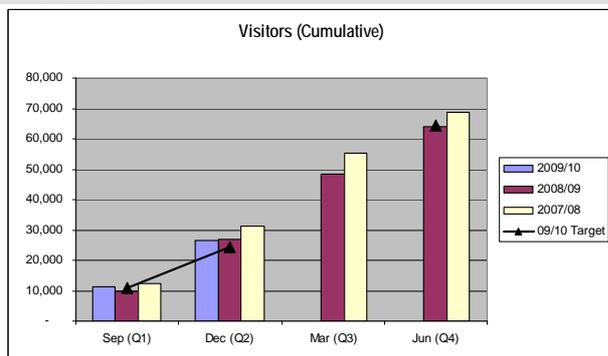
### Highlights: achievements

- The Visitor Centre project is going well and is on schedule to open in April 2010.
- Visitor numbers for the quarter were 14,930 and membership was 5,791 - ahead of the quarterly budget.
- Zealandia was featured in one of the episodes of the *Last Chance to See* series, a BBC production that was watched by 2.8 million UK viewers. The internationally acclaimed scientific journal *Nature* featured Zealandia as one of four 're-wilding' projects.
- The Sanctuary LEOTC proposal has been selected for negotiation.

### Activities during the quarter

- The Visitor Centre project is going well. The building was handed over for fit-out in early December and planning is under way for the opening in April.
- Visitor operation activities including integrated point of sale/booking/membership systems, retail operations, supplier proposals, policies and procedures have been developed and implemented.
- Developed the new café operation including the fit out. Recruitment of café staff will commence in February/March.
- KST continues to work with PWT on a domestic TV advertising campaign (Spoil Your Self in Wellington). KST has been working with Cable Car on a transport package.
- KST continues to monitor key fauna species during breeding season.

### Performance



### Macro Key Performance Indicators

The following KPIs form part of the Business Plan for the Karori Sanctuary Trust:

| Measure   | Annual Target | Quarter Target | Quarter Actual |
|---|---------------|----------------|----------------|
| Number of visitors per year   | 64,336        | 13,572         | 14,930         |
| Membership units - total number   | 5,400         | -              | 5,791          |
| Number of school visits   | 5,500         | 1100           | 1791           |
| Council subsidy per visit - \$  | \$18.03       | \$21.37        | \$19.42        |
| Trading revenue per visitation (excluding Council and Government grants) - \$ | \$21.27       | \$21.84        | \$27.34        |
| % of visitors rate their overall satisfaction as being good to excellent      | >95%          | >95%           | 98.4%          |
| Volunteer numbers   | >400          | >400           | 425            |

### Financial Commentary

- Operating revenue at \$0.408 million was above budget of \$0.296 million due to a higher visitor revenue and higher interest revenue
- Total expenditure at \$0.694 million was slightly above budget of \$0.624 due to budget phasing
- The bank balance is \$5,560,372 - this is required for the Visitor Centre project and operational funds for subsequent years
- Note that all of the Council's annual operating grant of \$1.16 million has been recognised in Q1, resulting in a significant operating surplus

### Statement of Financial Performance

For the quarter ended 31 December 2009

| \$'000            | Q2     |        | YTD    |        | FY      |
|-------------------|--------|--------|--------|--------|---------|
|                   | Actual | Budget | Actual | Budget | Budget  |
| Income            | 408    | 296    | 1,984  | 1,809  | 2,528   |
| Expenditure       | 694    | 624    | 1,227  | 1,124  | 3,705   |
| Operating Surplus | (285)  | (328)  | 757    | 685    | (1,176) |
| Operating Margin  | -69%   | -110%  | 38%    | 38%    | -47%    |
| Capital Grants    | 1,149  | 1,052  | 3,015  | 3,369  | 3,469   |

### Statement of Financial Position

As at 31 December 2009

| \$'000                  | YTD    | 2008/09 | FY     |
|-------------------------|--------|---------|--------|
|                         | Actual | YE      | Budget |
| Current assets          | 5,647  | 4,904   | 421    |
| Non-current assets      | 16,918 | 10,942  | 20,343 |
| Current liabilities     | 1,424  | 1,321   | 734    |
| Non-current liabilities | 10,910 | 9,388   | 11,280 |
| Equity                  | 10,231 | 6,457   | 8,750  |
| Current ratio           | 3.9:1  | 3.7:1   | 0.6:1  |
| Equity ratio            | 45%    | 41%     | 42%    |

### Statement of Cash Flows

For the quarter ended 31 December 2009

| \$'000          | YTD     | 2008/09   | FY       |
|-----------------|---------|-----------|----------|
|                 | Actual  | FY Actual | Budget   |
| Operating       | 1,003   | 156       | (845)    |
| Investing       | (6,061) | (5,939)   | (10,245) |
| Financing       | 5,759   | 7,057     | 6,582    |
| Net             | 701     | 1,274     | (4,509)  |
| Closing balance | 5,560   | 4,841     | 332      |

Contact officer:

Natasha Petkovic-Jeremic

## Profile – Karori Sanctuary Trust

The Trust was established with charitable status in 1995 with the primary aim of delivering on the vision of creating a wildlife sanctuary.

The Trust's initial focus was on establishing a secure physical environment in which to commence the maintenance of existing natural heritage and subsequently to promote the restoration of native fauna and flora that had disappeared from the ecological landscape.



The Trust has made sound progress in terms of meeting many of the objectives it has set itself. Rightly, though, its focus to date has been on establishing the Sanctuary as a uniquely urban but viable ecological environment in which to conserve and restore Wellington's natural heritage. The Trust is seen as a leader in the field of eco restoration and this is partly as a result of the ground breaking knowledge and technology developed, and the education provided in partnership with the Ministry of Education, Victoria University Wellington and others. The Trust is now of the view that it needs to progress to the next stage of development that will see it able to self-fund sanctuary operations and to establish ZEALANDIA- Karori Sanctuary as an international visitor destination.

### The next Stage

The Visitor and Education Centre Project (the Project) will be funded by the Wellington City Council \$10.38 million limited recourse loan, a \$6.5m Government grant and funds raised from many individuals and businesses. The Project kicked off in June 2007 with completion anticipated to be around November 2009.

### Entity Data

|                     |  |                      |
|---------------------|--|----------------------|
| Established         | 1995   |                      |
|                     |  | <i>Term expires:</i> |
|                     | Peter Allport                                | June 2010            |
|                     | Prof. Paul Callaghan (WCC appointed)         | June 2012            |
|                     | Dr. Russell Ballard (WCC appointed)          | June 2012            |
|                     | Graeme Mitchell (WCC appointed)              | June 2012            |
|                     | Catherine Judd                               | June 2012            |
|                     | Don Huse                                     | June 2012            |
|                     | Prof. Charles Daugherty                      | June 2010            |
| CEO                 | Nancy McIntosh-Ward                          |                      |
| Balance date        | 30 June                                      |                      |
| Number of FTE staff | 19   |                      |
| Website             | www.sanctuary.org.nz                         |                      |
| Type of entity      | Charitable Community Trust                   |                      |
| LGA designation     | CO   |                      |
| By reason of        | Council right to appoint two trustees        |                      |
| Council interest    | \$10.38 million ( <i>book value</i> )        |                      |
| Type of interest    | Limited recourse interest-free loan and land |                      |

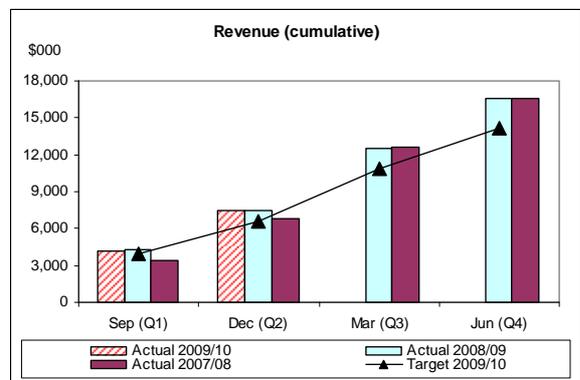
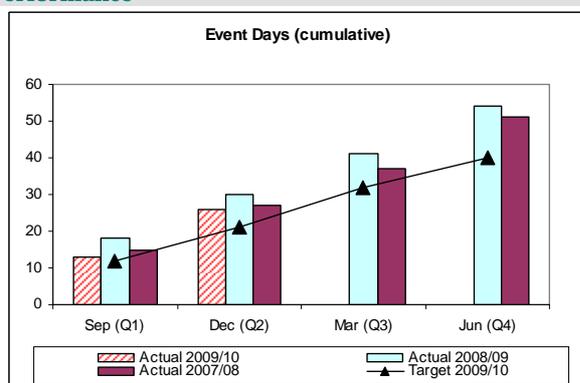
## Quarterly Review – Wellington Regional Stadium Trust

Wellington Regional Stadium Trust has presented its report for the quarter ended 31 December 2009 for review. A summary of key findings is presented below and the full report is attached.

### Highlights / Summary:

- In November, the Stadium hosted a sell-out crowd to see the All Whites defeat Bahrain to secure a place in the 2010 Football World Cup. As this event was unbudgeted, it also contributed to the higher than budgeted surplus achieved for the quarter.
- The Trust made strenuous efforts to achieve a negotiated settlement with the relevant contractors on the roof and cladding issues, but was unable to achieve a satisfactory response. It needed to start proceedings against contractors within 10 years of the Code of Compliance Certificate issuance. As a result, the Trust issued proceedings in the High Court in December.
- During Q2, the Stadium hosted three rugby matches and five football matches, including the All Whites game.

### Performance



### Macro Key Performance Indicators

| Measure                        | Annual Target | Quarter Target | Quarter Actual |
|--------------------------------|---------------|----------------|----------------|
| Number of events               | 40            | 9              | 13             |
| Other event-related days       | 132           | 39             | 46             |
| Number of attendees            | n/a           | n/a            | 100,803        |
| Event revenue \$000            | 5,027         | 430            | 998            |
| Total revenue \$000            | 14,203        | 2,692          | 3,314          |
| Net Surplus/Deficit \$000      | 1,577         | (215)          | 320            |
| Bank borrowing to total assets | 18.02%        | 18.12%         | 16.54%         |

- Number of events above includes community events. The Stadium now anticipates hosting 47 events in 2009/10.
- The annual Home and Garden Show was held in October and was attended by 13,000 people.
- Average Air NZ Cup attendances continued to be slightly higher than the previous year (at around 11,300); however, the semi-final attendance was disappointing (at 9,120).
- Average Phoenix attendance numbers YTD were 7,100.

Contact officer: Maree Henwood

### Activities during the quarter

- The Trust meets regularly with the Regional Coordination Group and Rugby New Zealand 2011 as part of Rugby World Cup preparations. There are no major capital projects required for RWC; lounge areas will be re-carpeted. Turf renovation was undertaken in December and January and will be repeated next year.
- The Stadium continues to monitor metrics such as food and beverage queues at events, which have complied with the minimum KPI standards.
- Capex was less than budgeted. As previously noted, the Trust no longer needs to install wetpour this year as was originally budgeted.
- The Trust continues to update its Business Continuity Plan and to develop its 15 year capex plan to ensure the Stadium remains a world class facility.

### Financial Commentary

- The Trust recorded a Q2 surplus of \$320k, compared to a budgeted deficit of \$(215)k. This was mainly due to unbudgeted events, such as the All Whites game, the Air NZ Cup semi-final and an extra Phoenix match.
- The Trust now anticipates full year income of \$15.8m (against an initial budget of \$14.2m) and a surplus of \$2.7m (initially \$1.6m) for 2009/10.
- The Trust provided \$67k worth of turf management services to Basin Reserve during the quarter.
- Depreciation was \$188k over budget, as changes to the useful life of some cladding and roofing assets were made post the budget.

### Statement of Financial Performance

For the quarter ended 31 December 2009

| \$000             | Q2 Actual | Q2 Budget | YTD Actual | YTD Budget | 2009/10 FY Budget |
|-------------------|-----------|-----------|------------|------------|-------------------|
| Income            | 3,314     | 2,692     | 7,482      | 6,602      | 14,203            |
| Expenditure       | 2,994     | 2,907     | 6,453      | 6,297      | 12,626            |
| Operating surplus | 320       | (215)     | 1,029      | 305        | 1,577             |

NB: FY Budgets are effectively in line with those approved in the Business Plan. However, the Trust now anticipates a higher than budgeted result as discussed above.

### Statement of Financial Position

As at 31 December 2009

| \$000                   | YTD Actual | 2008/09 FY Y/E Actual | 2009/10 FY Budget |
|-------------------------|------------|-----------------------|-------------------|
| Current assets          | 6,821      | 4,162                 | 2,580             |
| Non-current assets      | 97,784     | 99,443                | 98,930            |
| Current liabilities     | 6,100      | 4,429                 | 3,610             |
| Non-current liabilities | 32,272     | 34,028                | 30,990            |
| Equity                  | 66,233     | 65,148                | 66,910            |

|               |         |         |         |
|---------------|---------|---------|---------|
| Current ratio | 1.1 : 1 | 0.9 : 1 | 0.7 : 1 |
| Equity ratio  | 63%     | 63%     | 66%     |

NB: To maintain consistency with previous quarterly reports, equity includes limited recourse loans to the Regional and City Councils.

The Trust's June non-current revenue in advance classification differs from the annual report for better comparability with the December figure.

### Statement of Cash Flows

For the quarter ended 31 December 2009

| \$000           | YTD Actual | 2008/09 FY Actual | 2009/10 FY Budget |
|-----------------|------------|-------------------|-------------------|
| Operating       | 2,798      | 3,600             | 1,790             |
| Investing       | (151)      | (444)             | (2,150)           |
| Financing       | (1,000)    | (1,500)           | -                 |
| Net             | 1,648      | 1,656             | (360)             |
| Closing balance | 4,574      | 2,926             | 2,130             |

NB: Cash flow statement is prepared on a six monthly basis.

## Profile – Wellington Regional Stadium Trust

Wellington Regional Stadium Trust (WRST) is a charitable trust, established on 19 November 1997 with Wellington City Council and Greater Wellington Regional Council as joint settlors.



The Trust is responsible for the ownership, operation and maintenance of the Stadium as a multi-purpose sporting and cultural venue. The operation is to be administered on a prudent commercial basis, so that it is a successful, financially autonomous community asset.

### Entity Data

|                     |  |                                      |
|---------------------|--|--------------------------------------|
| Established         | 19 November 1997   |                                      |
| Board               | Paul Collins (Chair)   | <i>Term expires:</i><br>30 June 2012 |
|                     | Liz Dawson   | 30 June 2011                         |
|                     | Cr John Morrison (WCC)   | Oct 2010                             |
|                     | David Bale   | 30 June 2010                         |
|                     | Sir John Anderson  | 30 June 2012                         |
|                     | Sue Elliott  | 30 June 2011                         |
|                     | Cr Chris Laidlaw (GWRC)  | Oct 2010                             |
|                     | Chris Moller   | 30 June 2012                         |
| CEO                 | David Gray   |                                      |
| Balance date        | 30 June  |                                      |
| Number of FTE staff | 17   |                                      |
| Website             | <a href="http://www.westpacstadium.co.nz">www.westpacstadium.co.nz</a>       |                                      |
| Type of entity      | Charitable Trust   |                                      |
| LGA designation     | Trust (not a Council Controlled Organisation)                                |                                      |
| By reason of        |  |                                      |
| Council interest    | \$15.4 million ( <i>nominal value</i> ); \$0.9 million ( <i>book value</i> ) |                                      |
| Type of interest    | Limited recourse interest-free loan  |                                      |