

Wellington Waterfront Limited

Strategic Plan 2010 - 2013

Including

Deliverables for 2010/11



Introduction

Despite a constrained economic climate, it was gratifying to see so many projects get underway and/or come to fruition during the last year. The small team at Wellington Waterfront has been extremely busy with a wide array of projects. All of them move the waterfront ever closer toward the objectives set out in the Wellington Waterfront Framework. I take this opportunity to remind you of some of our achievements during 2009/10:

- Establishment of the Wellington Waterfront Motorhome Park
- Welcoming the National Portrait Gallery to a permanent home in Shed 11
- Establishing a maritime police base within the former Eastbourne Ferry Terminal building
- Restricting vehicular traffic around the Shed 6 promenade and the Outer-T by implementing access control bollards at the southern end of the TSB Bank Arena
- Completing the first stage of a major wharf maintenance project
- Establishing the Frank Kitts Craft Market and repositioning the Harbourside Market
- Successful outcome of the Outer-T blue skies competition
- Completing negotiations leading to the commencement of construction of the wharewaka and surrounding public space
- Environment Court decision to uphold the Overseas Passenger Terminal resource consent decision
- Being selected as the venue of choice for many major events in Wellington
- Bringing car park management in-house to make our operation more cost effective
- Assisting in the installation of the new Four Plinths Sculpture near Te Papa
- The Wellington Waterfront Framework received a New Zealand Institute of Architects Award (NZIA)

It was for perhaps some of these reasons, as well as the considerable forward programme you will read about in this plan, that the Wellington City Council elected to indefinitely defer the transition of the operation of Wellington Waterfront Limited to Council, previously anticipated in June 2010.

During the forthcoming year we will be delivering the following projects all of which will be measured in relation to Key Performance Indicators:

- Facilitating the commencement of construction of the Overseas Passenger Terminal
- Working with Council to gain a favourable outcome to District Plan Variation 11 in the Environment Court
- Complete design planning and regulatory approvals for increased police presence on the service jetty

- Preparation of a master plan for the redevelopment of Queens Wharf, including the Outer-T
- Gain full stakeholder agreement to the Chinese Garden within Frank Kitts Park
- Complete the construction of the wharewaka and surrounding public space on Taranaki Street wharf
- Project manage the construction of the Kumutoto toilet facility
- Prepare business cases for the development and implementation of the temporary tensile fabric structure on Barnett Street and an ice skating rink, and gain WCC approval
- Re-instigate initial planning for the UN Studio and Wardle buildings on Waitangi Park
- Achieve 'core' status for the Asset Management Plan
- Complete all planned maintenance works within budget
- Assist in waterfront preparations for the Rugby World Cup

We are confident that in a year's time the waterfront will be an even more enjoyable and dynamic space than it is already. Our aim is to continue to develop it for the pride and pleasure of all Wellingtonians and visitors alike.

Michael Cashin
Chairman

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Vision

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

Mission

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

Values

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

Principles

We embrace the principles outlined in the Wellington Waterfront Framework:

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

Ownership

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

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

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

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

Waterfront Boundaries

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

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

A map of the waterfront area managed by WWL is appended.

Strategic Objective

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

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

Funding

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

As a consequence of delays in receipt of commercial proceeds WWL received approval from Council in December 2008, confirmed in 2009, for temporary additional funding to fund future planning and for public space development.

How success will be measured

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

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

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

facilities. Collectively these provide living, working and playing opportunities 24 hours a day, 7 days a week.

Ultimately, WWL will be measured by its delivery of the principles and objectives clearly outlined in the Wellington Waterfront Framework. Accordingly, we steadily work towards the provision of:

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

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



Key Performance Indicators for 2010/11

- Wharewaka and Taranaki Street Wharf Public Space
 - Project completed in Q3
- Overseas Passenger Terminal
 - Facilitate the commencement of construction in Q4 (subject to Willis Bond confirming the contract) and complete all WWL ground floor lease negotiations
- Sites 8, 9 & 10 – Kumutoto
 - Favourable DPV11 decision at the Environment Court by Q2
- Kumutoto Toilet
 - Complete project by Q2
- Queens Wharf redevelopment
 - Complete the master plan and gain WCC approvals to the future direction of this precinct by Q4
- Interim Uses
 - WCC approval of projects; design development and resource consents granted by Q2
- Service Jetty – Kumutoto
 - Subject to NZ Police approval, complete design planning and regulatory approval phases of this project by Q2
- Frank Kitts Park
 - Gain full stakeholder agreement to the Chinese Garden and commencement of fundraising by Q2
- UN Studio & Wardle Building
 - Complete preliminary feasibility study by Q2
- Asset Management Plan
 - Achieve 'core' AMP status by Q2
- Maintenance Projects
 - Roll out the full planned and reactive requirements that the AMP prescribes on time and within budget
- Rugby World Cup
 - Constructively contribute to planning in collaboration with WCC

Operating Environment – Managing Key Risks

WWL recognises ever present operating risks, particularly in the current business environment. In common with other successful businesses, WWL manages risk through a process of identifying key risks and having effective controls to manage risks appropriately.

A risk is an event that has a reasonable probability of happening. When it does happen, it has an impact and is measured in terms of likelihood and consequence.

Risks can have negative consequences which require strategies to accept, minimise or avoid identified risks. Risks can also have positive consequences which require strategies to maximise opportunities by being creative or innovative.

Not all risks are of equal importance and the nature of risk is such that it can change over time. New risks can emerge and existing risks may change in nature or occasionally disappear altogether.

WWL has identified the following key risk areas that it must manage in order to achieve its objectives:

- Brand & Image
- Market Environment
- Regulatory Environment
- Human Resource
- Capital availability / credit
- Environment Impact
- Physical Assets
- Public Safety

1. Brand & Image

Formal and informal feedback that WWL obtains from stakeholders and the wider public, indicate that the image of WWL is well regarded. The high degree of public interest in WWL's work often creates controversy and the company must balance diverse community and commercial interests while not tarnishing its reputation.

A recent major survey of some of New Zealand's leading companies identified a bad reputation as the biggest threat to their business. The survey showed that 92% of chief executives regarded corporate reputation as a prime asset, compared with 54% who thought it was in 2006.

WWL places significant emphasis on the importance of its image.

WWL intends to retain and where possible improve its image by:

- maintaining the highest possible levels of integrity and professional standards
- maintaining a balanced focus on desired community and commercial outcomes
- remaining open and transparent in all of its business dealings
- remaining highly innovative
- communicating effectively with stakeholders and the citizens of Wellington via its website, project information centre, tenant and business communications and public consultation and engagement
- meeting project timelines and budgets or performing to stated commitments on each project

2. Market Environment

The market environment in which WWL operates comprises both economic and regulatory risks.

There appears to be a steady if somewhat inconsistent return of confidence and economic activity across the national economy which reflects similar signs in the international economy after the deepest and most pronounced global recession in more than 30 years.

Forecast projected growth for the New Zealand economy shows an unusually wide range between 2 – 4% in the March year 2010-11.

Reduction in government sector spending and the consequent effect on demand for office space has resulted in subdued conditions in the Wellington commercial office market over the past two years. The growing surplus of 'B' grade office accommodation and the prospect of increasing interest rates in the second half of 2010 will continue to have a dampening effect on the Wellington market for 2010-11.

3. Regulatory Environment

The current regulatory environment and the high degree of public interest in WWL's proposed projects pose the risk of considerable delay and can result in significant costs when proposed projects are delayed or abandoned.

WWL does however acknowledge that the regulatory process helps achieve a balanced outcome.

The more significant regulatory requirements that WWL must comply with are the Resource Management Act, Foreshore & Seabed Act, Building Act as well as health and safety legislation and local authority bylaws and regulations.

WWL has taken an active part in supporting proposed District Plan Variation 11, promoting the inclusion of more detailed policy provisions and non-notification of complying applications for future development on the waterfront and Kumutoto (sites 8, 9 & 10) in particular. Independent planning commissioners recommendations in regard to DPV 11 have been appealed and WWL will continue to participate in the process as it proceeds to the Environment Court in the second half of 2010.

4. Human Resource

A company's main asset is its people and the knowledge, experience, dedication and skill they bring are key to the company's success.

The relatively small size of WWL's board and management team means everyone's contribution is vital to the success of the company. The risk of business interruption through the potential loss of any one or more members of its senior executive team cannot be overlooked and requires strategies to enable business continuity regardless of the loss of any key member.

The company manages this risk through appropriate remuneration and incentive policies and providing developmental opportunities where possible.

5. Capital Availability / Credit

The global financial crisis was accompanied by the sudden withdrawal of credit which in turn compounded the effects of the crisis and led to the ensuing global recession.

WWL is reliant on the availability of capital. WWL and WCC entered into a loan agreement in 2008, which was ratified again in 2009. The availability of capital/credit is also crucial to property developers that WWL works with. Many developers are currently experiencing difficulty securing or renewing credit facilities.

6. Environmental Impact

WWL takes all possible practicable measures to minimise the effects its business activities may have on the environment and the effects that the environment may have on its business activities.

The effects of climate change, earthquake, tsunami, king tide (10/4/2012), storms, fire, gas or chemical leaks, disease pandemics or other potentially catastrophic events could have a devastating impact on the waterfront, physically and financially. WWL has comprehensive insurance cover that is regularly reviewed. WWL now requires all development design to take into account and make allowance for the effect that climate change may have on its buildings the waterfront and the wider environment.

Measures taken by WWL include ensuring that all construction and operational activities on the waterfront comply with statutory requirements and that careful consideration is given to the potential effects of hazards in design, construction and operation.

Hazard management and other health and safety issues are regularly reviewed and monitored. WWL's building and service contractors, suppliers and tenants are all encouraged to adopt sustainable business practices.

7. Physical Assets

The importance of WWL's assets and infrastructure and the need to maintain them to an appropriate standard is a key potential risk area that WWL has focused on in recent years and has taken active measures to address.

The single most important action that has been implemented is the development of a formal asset management plan that records relevant information about every single WWL asset and outlines a maintenance plan for the expected future remaining life of each asset.

The asset management plan will allow more proactive management of WWL's physical assets. This will reduce risks associated with the ownership, maintenance and operation of its assets, particularly its vital infrastructure.

In 2009, WWL commenced an ongoing programme of wharf strengthening with extensive wharf pile replacement or repair work undertaken at Taranaki St Wharf, Queens Wharf

Outer T and the Jetty Wharf. This work will continue at periodic intervals around the rest of the waterfront over the course of the next five years.

8. Public Safety

WWL recognises the importance of maintaining a good public safety record for the waterfront.

WWL must remain vigilant to potential risks to public safety and take appropriate measures to ensure that public safety is not compromised. WWL retains the services of an independent specialist consultant to assist with the identification of actual or potential hazards and their elimination or mitigation.

Contractors and public event organisers are required to submit documented hazard identification and appropriate health & safety procedures for WWL approval prior to commencement of any work or event on the waterfront.



Area	Risk	Probability	Impact	Current Mitigation
Brand & Image	The effect adverse publicity, or an adverse event, could have on company reputation.	L	H	<p>Communicating effectively with stakeholders, special interest groups and citizens of Wellington through a variety of means including website, project information office, public consultation and engagement, business communications and media.</p> <p>Maintaining highest possible levels of integrity and professional standards.</p>
Market Environment	Adverse economic conditions have a dampening effect on demand for new development	M	M	Consideration being given to interim uses for development sites pending an upturn in the economy.
Regulatory Environment	Regulatory delays causes the development process to slow down which in turn imposes additional costs, jeopardising project feasibility and increasing the likelihood of planned developments not proceeding.	M	M	WWL works closely with developers, consultants, and regulatory authorities to ensure that processes are followed. WWL participates in the process of changes to regulations.
Human Resource	Business interruption through loss of key senior staff.	L	M	WWL manages this risk through appropriate remuneration and incentive policies and providing developmental opportunities where possible.
Capital Availability / Credit	Non-availability of capital would prevent WWL undertaking planning or facilitating new developments.	L	M	WWL entered a loan agreement with WCC in 2008, which was ratified again in 2009.
Environmental Impact	Effects of climate change, natural disasters and actions by WWL or its tenants or contractors causing environmental damage.	L	M	<p>Implementation of crisis management and disaster recovery plans. Maintaining adequate insurance cover.</p> <p>Maintaining WWL policies and procedures to ensure tenants and contractors comply with WWL requirements to minimise the effect of any activities on the environment.</p>
Physical Assets	Risk of damage to property, inconvenience or loss to businesses and/or the public, or risk of	L	M	Development of a formal asset management plan that identifies and records relevant information about

Area	Risk	Probability	Impact	Current Mitigation
	harm to people as a result failure of physical assets or infrastructure.			assets and outlines an appropriate maintenance plan for each asset to eliminate the sudden or unexpected failure of physical assets or infrastructure.
Public Safety	Risk of serious harm to members of public through poor health and safety provisions on the waterfront	L	M	<p>Identification and removal or mitigation of potential hazards.</p> <p>Regular inspection regimes by WWL complemented by independent inspections and checks</p> <p>Appropriate signage and traffic management provisions.</p>

Delivering the Waterfront Framework

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

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

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

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

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

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

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

Strategic objectives have been set for each of these areas of work, along with the adoption of an approach to the work and a range of delivery targets set for the 10/11 year – these are more fully outlined on the following pages.

TELLING THE WATERFRONT'S STORIES

Strategic Objective

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

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

- **Maritime Heritage Trail** – a series of lit glass totems, provides a key element in educating visitors about waterfront heritage
- **WWL's website** - a source of information about the area's history
- **Commemorative plaques** – a series of plaques along the Frank Kitts Park promenade provide further points of interest
- **Historical maritime relics** – heritage cranes, anchors, buoys, etc throughout the waterfront
- **Wellington Writer's Walk** – plaques with sculptural form and relevant quotes about the city and harbour, tell their story in a more contemporary way. Additional plaques will be added to this impressive collection this year
- **Museum of Wellington City & Sea** – provides an accessible, comprehensive and intriguing exploration of the waterfront's role in the city's maritime and social history

In the 2010/11 year these elements will be refreshed so that they are in first class condition for the Rugby World Cup in 2011

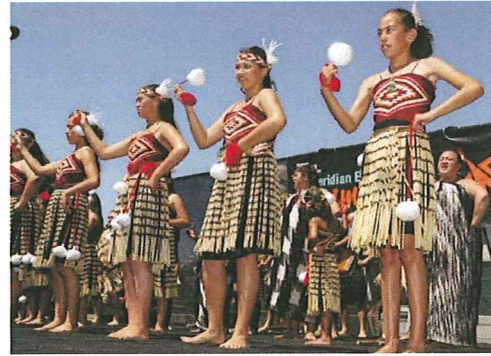
Further Developments

WWL has a Memorandum of Understanding with the Museum of Wellington City & Sea to assist with the identification and development of additional programmes/opportunities to present the waterfront's history and stories.

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

This year we will work with the Museum of Wellington City & Sea to display in our information centre some examples of the planning for waterfront developments, some that proceeded and some that didn't to allow visitors to reflect upon the way the waterfront has developed in recent times.

Maori/tangata whenua cultural involvement is also integral to the waterfront and will be reflected in waterfront designs, art and place names. The imminent development of the wharewaka will create many opportunities for presenting traditional ceremonies associated with waterfront activities.



The increasing number of cruise ships visiting Wellington provides an opportunity for the performance of traditional Maori welcoming ceremonies. We will work with tangata whenua to establish such ceremonies for the smaller cruise liners that berth at Queens Wharf.

The Approach

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



This Year's Delivery

- Install two new Writers Walk Plaques on the waterfront by June 2011
- Create a display of modern development proposals, some completed, some discarded for display in our information centre
- Assist the Wellington Tenth Trust to develop interpretive materials about the wharewaka and the wider Maori history of this precinct upon completion of the wharewaka on Taranaki Street Wharf, by 31 March 2011



MAINTAINING THE ENVIRONMENT

Strategic Objective

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

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

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

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

WWL maintains its assets in accordance with its Asset Management Plan (AMP). This document contains a comprehensive description of all the assets on the waterfront and details plans and budget provisions for optimising each assets life cycle, and expected level of service. The plan is continuing to be enhanced to reflect a greater focus on the efficient use of resources.

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

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



A particular focus is on Crime Prevention through Environmental Design (CPTED). The essence of this practice is to design spaces with natural access control,

natural surveillance, and implied territoriality. All new developments are assessed for their CPTED conformance. Existing areas are upgraded to reduce the potential for criminal activity.

WWL ensures that its operations, maintenance and development activities comply with Health and Safety legislation and best practice. Regular independent health and safety audits are our measure of compliance.

Approach

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

This Year's Delivery

- Complete the upgrade of the Asset Management Plan to attain 'Core' standard and prepare the systems to be able to move to an 'Advanced' asset management plan at some future time. Core Standard to be achieved by December 2010
- Undertake a comprehensive independent CPTED review of the waterfront to identify areas of entrapment, poor natural surveillance or where territoriality is poor and implement improvements by December 2010
- Implement and optimise new traffic control measures for the waterfront entrance at Taranaki Street Wharf by March 2011
- Roll out the full planned and reactive maintenance requirements that the AMP prescribes on time and within budget
- Establish a waste reduction and recycling programme for waterfront businesses and public spaces
- Review public space lighting for its performance and efficiency. Seek a 20% reduction in energy consumption for public space lighting without any compromise to public safety by March 2011

WORKING ON THE WATERFRONT

Strategic Objective

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

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

We will seek to retain and add new waterfront 'added benefit' tenants similar to Wellington Free Ambulance, Helipro and New Zealand Police that add intangible qualities of security, purpose, longevity and appropriateness for this environment.

The growth in retail activities associated with the Harbourside Market (produce), the Frank Kitts Market (craft) and craft outlets in the boatsheds in 2009/10 year was well received by Wellington residents and visitors. In 2010/11 we will continue to enhance this section of the Waterfront business community through improvements to infrastructure and extensions to the times of operation and breadth of offerings.

The conversion of Site 10 to the Wellington Waterfront Motorhome Park in 2009/10 provides a new opportunity for visitors to be attracted to stay in Wellington for longer periods. WWL will seek ways to enhance the visitor experience and satisfaction by providing information, added value opportunities, and the promotion of waterfront businesses.

Car parking on the waterfront is mainly a temporary activity on development sites to generate income. In the 2009/10 year the management of car parks was brought in house. The goals of this management change included maximising the use of space, optimising revenue, providing fair pricing and enforcement. Additionally the car parking charging regime will be tuned to encourage waterfront business customers to use the adjacent parking. This project will continue to be monitored and enhanced through 2010/11.

Approach

WWL works to optimise the business environment for our tenants as well as event organisers through communication, issues identification, negotiation and planning.

As the pressure to share the space increases we will facilitate a greater planning and communication role. In particular we will foster the development of precinct business communities centred on Queens Wharf, Frank Kitts Park and Taranaki Street Wharf to integrate their business planning into the events programme and establish their own collaborative activities to enhance their business opportunities on the waterfront.

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

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

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

This Year's Delivery

- Continue regular planning and co-ordination group meetings for Taranaki Street Wharf, Frank Kitts Park and Queens Wharf precincts to facilitate event integration into their business plans and establish collaborative activities that promote their areas. Ongoing.
- Identify opportunities for new, interesting and commercially valuable activities in locations that have some downtime. These include:
 - Frank Kitts Park Car Park evenings and weekends
 - Barnett St Market Space - Night markets and Christmas market
- A survey of car parking clients and waterfront businesses will be held in October 2010 to assess the performance against the goals and any identified improvements to the system will be rolled out.



DESIGN AND PROJECT IMPLEMENTATION

Strategic Objective

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

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

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

Approach

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

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

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

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

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

- Heritage treatment
- Signage
- Car parking
- Traffic management
- Lighting
- Furniture
- Ground floor uses
- Universal disability charter
- Crime Prevention Through Environmental Design (CPTED)

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

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

This Year's Delivery

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



DEVELOPMENT STRATEGY

Strategic Objective

To complete and implement plans for delivering the vision for the waterfront.

Careful planning and design over the last year has laid a good platform for the forthcoming year:

- Wellington City Council successfully obtained resource consent for the district plan change, Variation 11. The resource consent has been appealed to the Environment Court.
- Design work has continued on the Frank Kitts park redevelopment in partnership with the Wellington Chinese Garden Society and Wellington's sister cities Beijing and Xiamen.
- Willis Bond & Co, together with WWL, gained a positive result for the Overseas Passenger Terminal development when the Environment Court upheld the Wellington City Council's decision to grant resource consent.
- Design work for the wharewaka on behalf of the Wharewaka o Poneke Charitable Trust.
- Design work for the final stage of the Taranaki wharf west public space surrounding the wharewaka and lagoon.
- The Outer-T ideas competition has provided a launch pad for the wider Queens Wharf master-planning.

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

Approach

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

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

This Year's Delivery

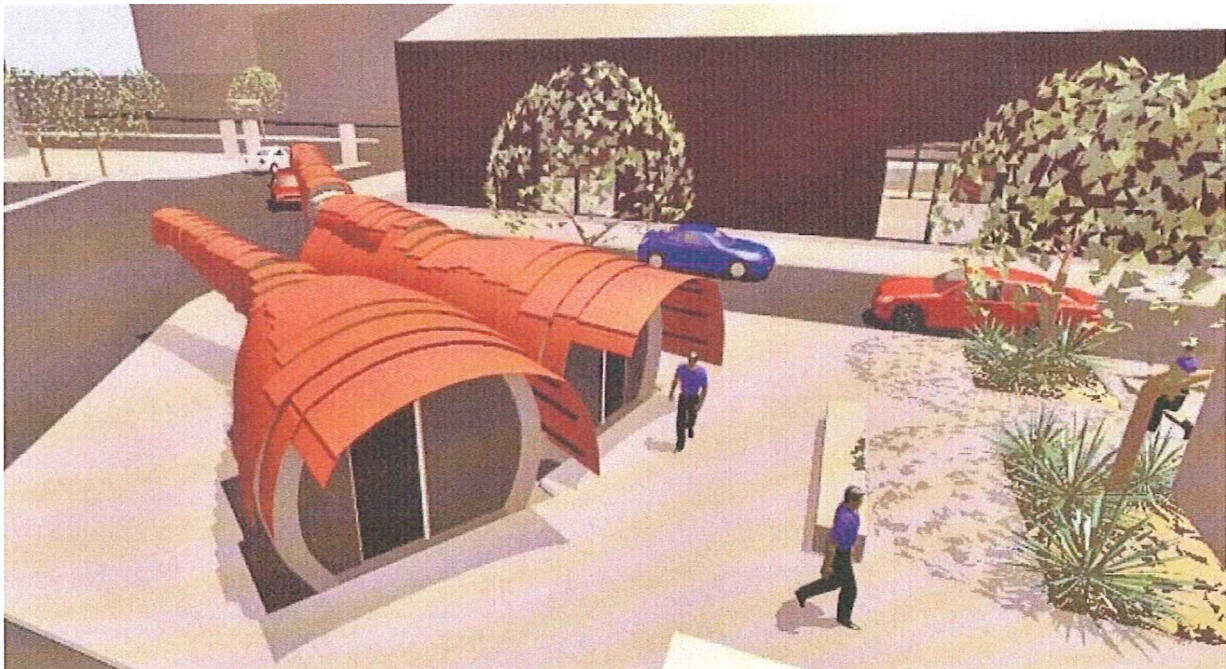
- Design the public spaces around the Overseas Passenger Terminal and work closely with the developer, Willis Bond & Company, to ensure the successful project launch in Q2.
- Oversee design development and facilitate negotiations between the Wellington Chinese Garden Society and Wellington's sister cities Beijing and Xiamen.
- Project manage the construction of the wharewaka at Taranaki Street Wharf with completion in Q3 2010/11.
- Develop and construct the public spaces adjacent to the wharewaka and lagoon by Q3 2010/11.
- Develop concepts, seek approvals and oversee design development for the redevelopment of Queens Wharf, including Shed 6 and the Outer-T and prepare a master plan that will be publicly consulted upon as part of the process of adopting it as a variation to the district and regional coastal plans. Master Plan to be agreed by Q2.
- Obtain building consent and construct the Kumutoto public toilet by Q2.
- Work closely with the New Zealand Police to develop a building on the Service Jetty to house the Police Maritime Unit and National Dive Squad.
- Continue exploring possible interim uses for development sites including:
 - Tensile fabric structure
 - Ice rink



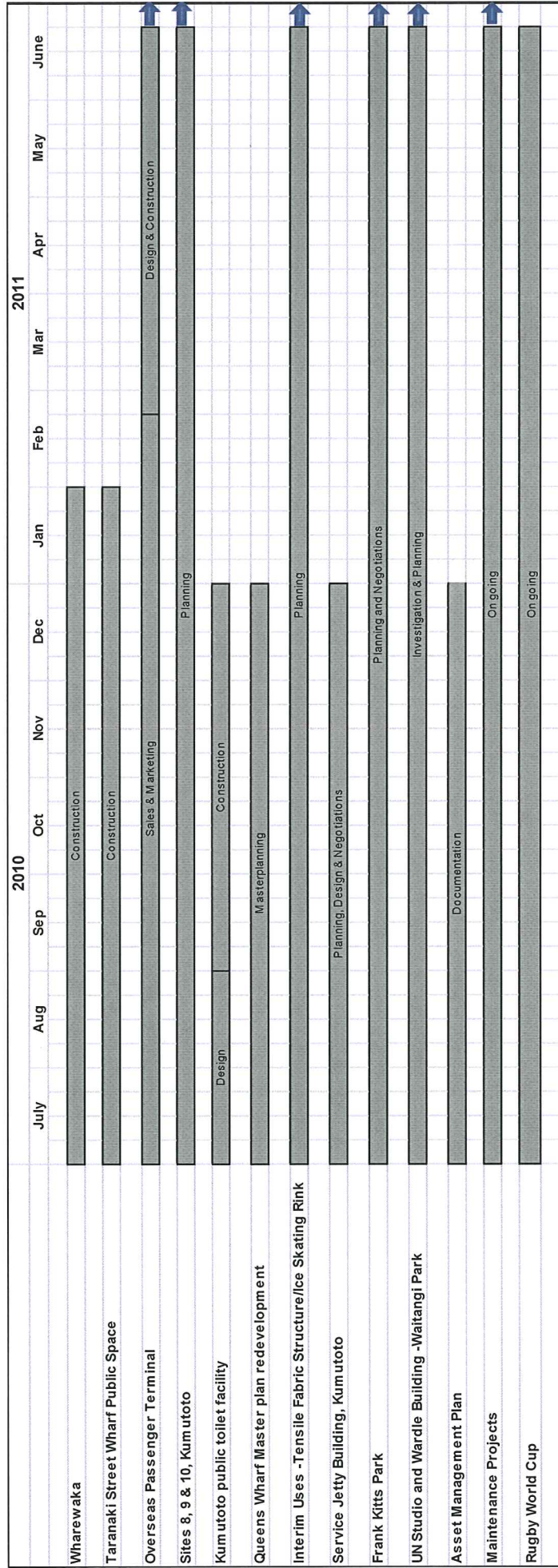
Project Plan Table

PROJECTS	USE	STATUS
Wharewaka	The Wellington Tenth Trust proposal (in conjunction with WCC) to construct a wharewaka (canoe house) to house ceremonial waka and provide a cultural attraction for visitors.	Construction underway. Project due for completion early 2011.
Taranaki St Wharf public space	Improvement of landscaping around Taranaki St Wharf, the lagoon, and planted areas around the Wellington Free Ambulance building.	Design work underway, construction to start in July 2010, completion expected early 2011.
Overseas Passenger Terminal – Clyde Quay	Redevelopment of the Overseas Passenger Terminal into a complex of residential apartments with associated complementary ground floor uses.	The developers project marketing for apartment sales likely in late 2010. Design for the public space to be developed in conjunction with the developer's timeframe. WWL negotiating with existing OPT tenants about opportunities in the new development.
Sites 8, 9 & 10	Building sites in Kumutoto, adjacent to the Whitmore St entrance.	District Plan variation 11 currently being appealed to the Environment Court.
Kumutoto Public Toilet	Installation of a artistic public toilet at the southern end of the Kumutoto precinct	Delivery of project planned for end of 2010.
Queens Wharf/Shed 6, TSB Bank Arena and the Outer-T	Shed 6 – Proposed redevelopment, potentially in conjunction with TSB Bank Arena. TSB Bank Arena – proposed redevelopment of the building in conjunction with Shed 6 and in particular, addressing southern end design issues. Outer-T – Proposed redevelopment of the building and public space. Improve city connections, pedestrian and cycle-ways.	Outer-T public ideas competition complete. Master-planning for the entire area underway.
Intermediate Uses on long term development sites	Investigate a number of interim uses for sites pending development.	Development of business cases for approval by WCC.
Service Jetty Building	Development of a building on the Service Jetty to house the Police Maritime Unit and National Dive Squad.	Negotiations with New Zealand Police about development options.
Frank Kitts Park	To be redeveloped to provide greater integration between the city and the harbour and to include a Chinese Garden	Wellington Chinese Garden Society currently negotiating with sister cities. Following these discussions their fund raising plan will be confirmed.
UN Studio Building (Waitangi Park Site 4)	A new four storey building to provide cultural/recreational amenities and some car parking for Waitangi Park, designed to transition from the bulk	Design competition held and WDSC approval granted in November 2005. Planning and investigation to continue.

PROJECTS	USE	STATUS
	and height of Te Papa to the Park.	
Wardle Building (Waitangi Park Sites 1 & 2)	Low level building within the Waitangi Park precinct adjacent to the Clyde Quay Boat Harbour to contain recreational activities on the ground floor and upper floors if viable.	Design competition held and WDSC approval granted in November 2005. Planning and investigation to continue.
Wardle Building (Waitangi Park Site 3)	A four storey, mixed-use building site on Waitangi Park to the east of Chaffers Dock containing activities complementary to the neighbouring park and apartments.	Design competition held and WDSC approval granted in November 2005. Planning and investigation to continue.



The following chart outlines development processes and timeline for the 2010/11 year:



INVESTIGATING FURTHER RECREATIONAL AND CULTURAL OPPORTUNITIES

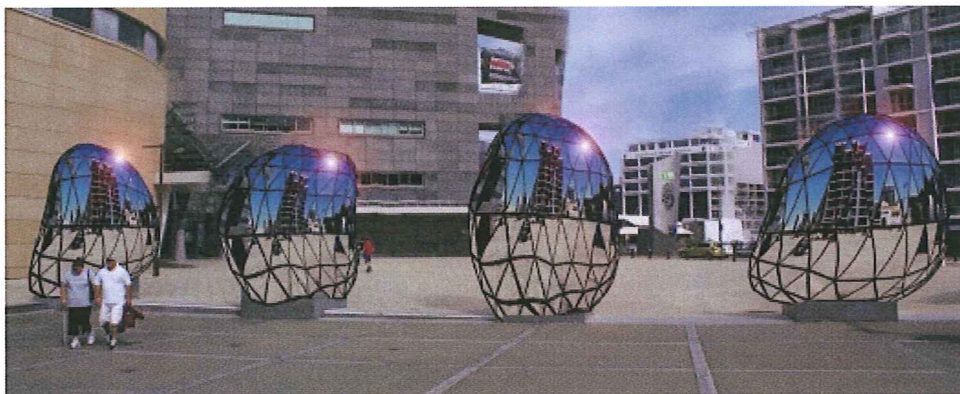
Strategic Objective

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

New Zealand is beginning to emerge from the global financial crisis. The measures taken by WWL over the previous years have been effective in contributing to the survival of almost all waterfront businesses, the addition of new businesses, and the growth of markets. The conditions that will apply over the next year are anticipated to be:

- Gradual return to normal economic activity
- Increased focus on energy efficiency and resource conservation
- Growth in active mode transportation (walking and cycling) will grow as health initiatives, low cost leisure activities and affordable commuting options take hold. The waterfront is the hub of most of these routes and will play an increasing role in encouraging active transport.
- There will be continuing growth in international cruise ships calling at Wellington
- Wellington will focus on preparing for the Rugby World Cup and in particular investing in projects that provide a legacy benefit

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

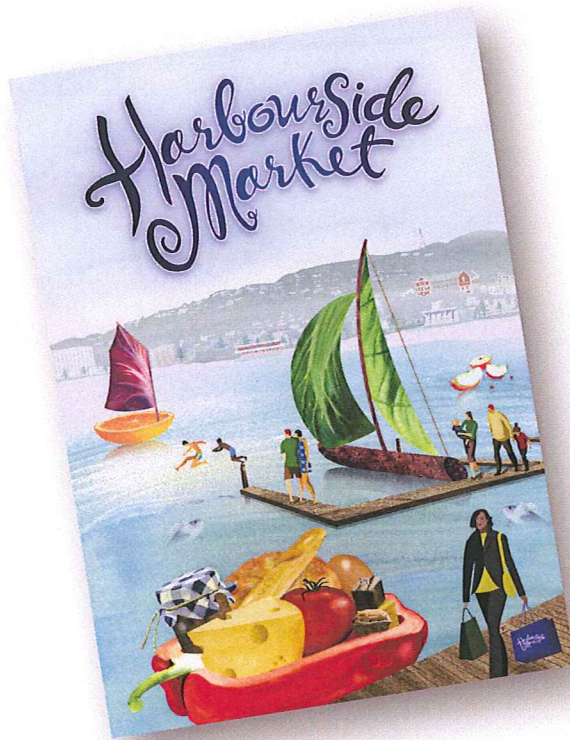


Approach

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

This Year's Delivery

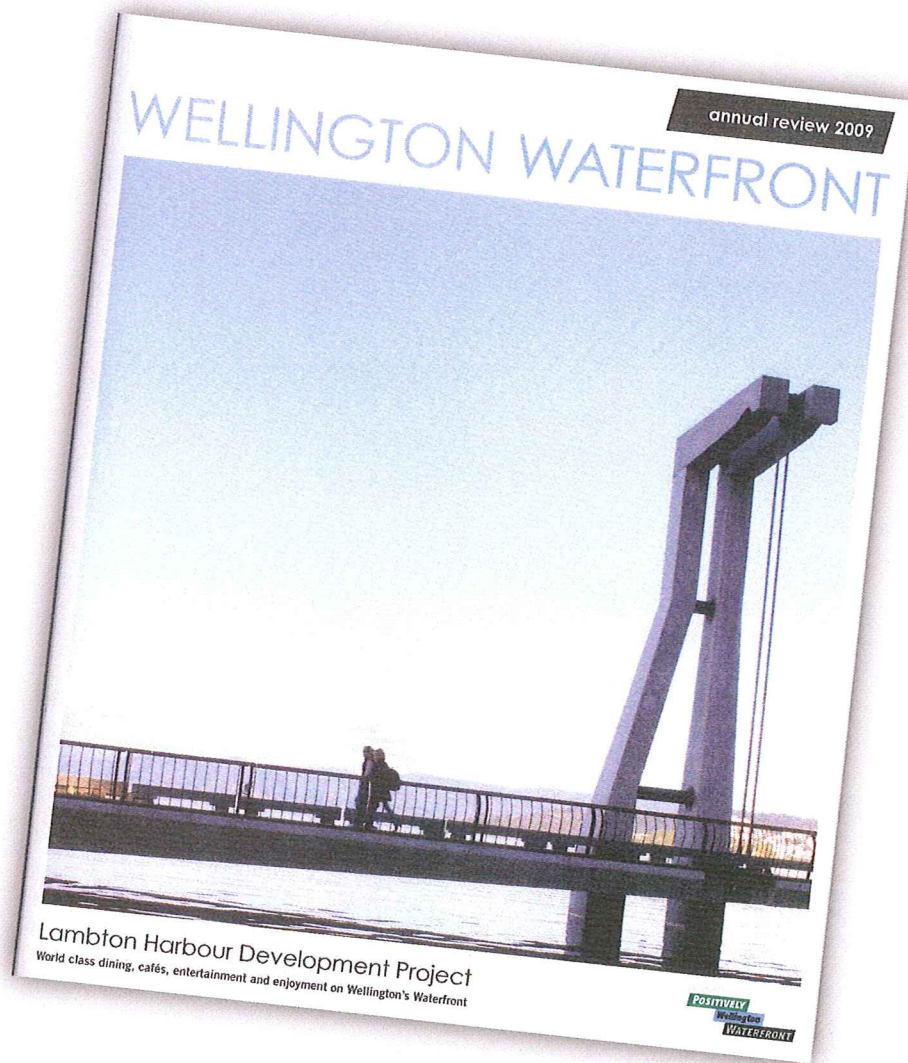
- Further enhance Harbourside and Frank Kitts markets with improved infrastructure
- Work with the Greater Harbour Way coalition to improve the way in which cyclists and walkers share the traffic ways on the waterfront
- Bring up to standard the existing public toilets on the waterfront
- Evaluate fresh ideas and implement the best of these



Corporate Support

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

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



PEOPLE

Strategic Objective

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

Approach

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

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

This Year's Delivery

- Ensure all staff have Performance Agreements for the 2010/11 year – by 31 July 2010
- Complete performance appraisals with all staff on a half-yearly basis
- Enable staff to implement their individual training plans – review quarterly
- Ensure all managers complete and regularly update their conflicts of interest declarations, according to company policy – review quarterly
- Acknowledge and celebrate success – as appropriate

COMMUNICATION

Strategic Objective

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

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

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

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

Approach

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

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

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

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

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



STRATEGY AND PLANNING

Strategic Objective

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

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

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

Approach

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

This Year's Delivery

- Work closely with WCC to ensure that strategies and plans support and are supported by the city's objectives, and meet the requirements outlined in the Council's Letter of Expectation and WWL's Statement of Intent
- Ensure that organisational and individual KPIs are determined prior to the beginning of the financial year and follow the approaches and deliverables outlined in the Strategic Plan – by 1 July 2010
- Review WWL's current standard and methods of reporting and implement areas identified for improvement – ongoing
- Work closely with the Council's Rugby World Cup Directorate to ensure the waterfront contributes to the success of this event

GOVERNANCE

Strategic Objective

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

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

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

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

Approach

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

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

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

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

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

This Year's Delivery

- Ensure that WCC is kept fully apprised of WWL's activities through regular formal meetings with WCC representatives - ongoing
- Work with WCC's CCO Performance Sub-Committee to monitor Key Performance Indicators agreed for WWL in the waterfront's development – ongoing
- Review Board practices and processes to maintain the distinction between governance and management – ongoing as part of the role of WWL's People and Performance Committee
- Following last year's comprehensive Board self-assessment perform a follow-up Governance Review questionnaire – July 2010

INTERNAL SYSTEMS AND PROCESS

Strategic Objective

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

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

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

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

The Company utilises and maintains a comprehensive Project Management Manual. This document sets out the Company's policies on procurements, letting of tenders, project reporting and post project evaluation.

Approach

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

This Year's Delivery

- Confirmed development of comprehensive Asset Management Plan – achieve 'core' status by December 2010
- Review accounting procedures and information management processes - ongoing
- Ensure compliance with legislative requirements – ongoing
- Progressively digitalise information storage.

FINANCE

Strategic Objective

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

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

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

In December 2008 and again in 2009 WCC reviewed the operation of the waterfront. A detailed review was performed on the long term financial implications for the waterfront and these were included in the Council's Long Term Council Community Plan.

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

Approach

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

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

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

This Year's Delivery

- Continually monitor financial resources and outcomes to ensure the necessary funding is available to meet WWL's and the Project's requirements at the appropriate time
- Review all financial management processes and where necessary upgrade.

In support of this Business Plan the financial statements include:

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

We are required to provide the above budgeted requirements for each quarter of 2010/11.

Financial Plan

The financial plan adheres to Council's policy that:

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

Forecast WCC funding by year (excluding the Management Fee)

	WCC Capital Contribution	WCC Contribution TSB Bank Arena upgrade	WCC Temporary Additional Funding / (Repaying)	Total WCC Contribution
	\$ million	\$ million	\$ million	\$ million
2005/06 (actual)	4.00	-	-	4.00
2006/07 (actual)	7.25	0.32	-	7.57
2007/08 (actual)	3.75	1.80	3.90	9.45
2008/09 (actual)	-	-	0.50	0.50
2009/10	-	-	4.40	4.40
2010/11	-	-	5.00	5.00
2011/12	-	-	-7.00	-7.00
2012/13	-	-	-3.50	-3.50
Beyond 2014			-3.30	-3.30
Total	15.00	2.12	-	17.12

Of the WCC's capital contribution of \$15m, \$4.00m was drawn down in 2005/06 to enable Stage 1 of Waitangi Park to be completed. \$7.25m was drawn down in 2006/07 to enable the commencement of the committed Kumutoto public space and in 2007/08 the balance (\$3.75m) was drawn down to complete the Kumutoto public space development. WWL has forecast borrowings to reach \$8.80 million by June 2010.

The Financial Plan also allows for the continued WCC funding of the management fee which covers the annual operating costs (payroll, governance, IT and administration) of Wellington Waterfront Limited.

The Financial Plan includes the following schedules:

1. Schedule of Commercial Developments

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

2. Schedule of Public Space Developments and Other Capital Expenditures

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

3. Funding Schedule

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

4. Earnings Statement (Statement of Financial Performance)

The forecast annual Statement of Financial Performance.

Rental income is forecast to decline over the next few years as income generating assets are either released for long term development or are replaced by developed public space. Operating expenses are forecast to be \$850,000 higher in both 2011 and 2012 than in 2013 due to planning costs.

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

The forecast annual statement of financial position.

6. Movements in Equity

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

WCC's equity in the Wellington Waterfront Project is projected to increase from \$139.9m (June 2007) to \$169.9m (June 2013).

7. Cash Funds Schedule

A detailed forecast of annual receipts and payments.

**CCO: Wellington Waterfront Project
Business Plan 2010/11**

SCHEDULE OF COMMERCIAL DEVELOPMENTS					
	2010/11 \$m	2011/12 \$m	2012/13 \$m	2014 and beyond \$m	Total \$m
Summary of Commercial Developments	1.450	14.250	5.775	20.600	42.075

SCHEDULE OF PUBLIC SPACE DEVELOPMENTS AND OTHER CAPITAL EXPENDITURE					
	2010/11 \$m	2011/12 \$m	2012/13 \$m	2014 and beyond \$m	Total \$m
Kumutoto - Sites 8 to 10 public space				2.000	2.000
Queens Wharf master plan implementation			2.000	2.000	4.000
Frank Kitts Park				5.000	5.000
Wharewaka	0.309				0.309
Taranaki Street Wharf (TSW)	1.760				1.760
TSW traffic control measures	0.100				0.100
OPT public space				2.000	2.000
Chaffers Marina - maintenance	0.250				0.250
Chaffers Marina - relocation	0.500				0.500
Wharf maintenance*		4.520		4.070	8.590
Kumutoto public space - WC	0.400				0.400
Minor Works	0.100	0.100	0.100		0.300
Transition Site - tensile structure	0.800	1.600			2.400
Total	4.219	6.220	2.100	15.070	27.609

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

**CCO: Wellington Waterfront Project
Business Plan 2010/11**

FUNDING SCHEDULE	2010/11	2011/12	2012/13	Total
	\$m	\$m	\$m	\$m
Receipts				
Operating	4.277	3.937	3.570	11.784
Proceeds from commercial developments	1.450	14.250	5.775	21.475
Total receipts	5.727	18.187	9.345	33.259
Payments				
Waterfront operating costs	5.762	5.112	3.939	14.813
Public space developments	4.219	6.220	2.100	12.539
Total payments	9.981	11.332	6.039	27.352
Net cash surplus/(deficit)	-4.254	6.856	3.305	5.908
Funded by:				
Realisation of / (investment in) term deposits	0.225			0.225
Wellington City Council contributions - Drawdown (balance of \$15M)				0.000
Wellington City Council contributions - Borrowing	5.000	-7.000	-3.500	-5.500
Total funding	5.225	-7.000	-3.500	-5.275
Funding from Wellington City Council				
Contributions for public space developments	5.000	-7.000	-3.500	-5.500
Total Wellington City Council Funding	5.000	-7.000	-3.500	-5.500

**CCO: Wellington Waterfront Project
Business Plan 2010/11**

\$x000's

EARNINGS STATEMENT							
	Qtr to 30-Sep-10	Qtr to 31-Dec-10	Qtr to 31-Mar-11	Qtr to 30-Jun-11	Total YE 30-Jun-11	Total YE 30-Jun-12	Total YE 30-Jun-13
Revenue							
Trading Income	1,097	1,090	1,090	1,132	4,408	4,069	3,701
WCC Grants					-		
Other Grants					-		
Sponsorships and Donations					-		
Investment Income					-		
Other Income					-		
Total Revenue	1,097	1,090	1,090	1,132	4,408	4,069	3,701
Expenditure							
Employee Costs					-		
Other Operating Expenses	1,685	1,510	1,471	1,331	5,998	5,902	5,117
Depreciation	524	524	524	524	2,098	2,074	2,050
Interest				764	764	610	223
Total Expenditure	2,209	2,035	1,996	2,620	8,859	8,585	7,389
Net Surplus/(Deficit) before Taxation	(1,112)	(945)	(906)	(1,488)	(4,451)	(4,517)	(3,688)
Taxation Expense					0		
Net Surplus/(Deficit)	(1,112)	(945)	(906)	(1,488)	(4,451)	(4,517)	(3,688)
Operating Margin	-101.3%	-86.7%	-83.2%	-131.5%	-101.0%	-111.0%	-99.7%

**CCO: Wellington Waterfront Project
Business Plan 2010/11**

\$x000's

STATEMENT OF FINANCIAL POSITION

	As at 30-Sep-10	As at 31-Dec-10	As at 31-Mar-11	As at 30-Jun-11	As at 30-Jun-12	As at 30-Jun-13
Shareholder/Trust Funds						
Share Capital/Settled Funds	77,345	77,345	77,345	77,283	77,283	77,283
Revaluation Reserves	16,880	16,880	16,880	16,880	16,880	16,880
Restricted Funds						
Retained Earnings	69,853	70,258	70,402	71,664	75,797	75,784
Total Shareholder/Trust Funds	164,078	164,483	164,627	165,827	169,960	169,947
Current Assets						
Cash and Bank	328	547	614	972	827	633
Accounts Receivable	500	500	500	500	400	300
Other Current Assets	600	400	200	700	700	700
Total Current Assets	1,428	1,447	1,314	2,172	1,927	1,633
Investments						
Deposits on Call						
Other Investments	7,368	7,368	7,368	7,368		
Total Investments	7,368	7,368	7,368	7,368	0	0
Non-Current Assets						
Fixed Assets	165,702	167,087	168,064	170,806	174,528	184,249
Other Non-current Assets	1,456	1,456	1,456	1,456	1,456	1,766
Total Non-current Assets	167,158	168,543	169,520	172,262	175,984	186,015
Total Assets	175,954	177,358	178,202	181,802	177,911	187,648
Current Liabilities						
Accounts Payable and Accruals	1,775	1,775	1,775	1,775	750	750
Provisions						
Other Current Liabilities						
Total Current Liabilities	1,775	1,775	1,775	1,775	750	750
Non-Current Liabilities						
Loans - WCC	10,100	11,100	11,800	14,200	7,200	16,950
Loans - Other						
Other Non-Current Liabilities	0	0	0	0	0	0
Total Non-Current Liabilities	10,100	11,100	11,800	14,200	7,200	16,950
Net Assets	164,079	164,483	164,627	165,827	169,960	169,947
Current Ratio	0.8	0.8	0.7	1.2	2.6	2.2
Equity Ratio	93.3%	92.7%	92.4%	91.2%	95.5%	90.6%

**CCO: Wellington Waterfront Project
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	2011	2012	2013
MOVEMENTS IN EQUITY			
Statement of Movements in Equity			
Opening Balance	162,428	165,827	169,960
Net Profit / (Loss) after Tax	(4,451)	(4,517)	(3,688)
Commercial Development proceeds	1,450	14,250	5,775
Total recognised revenues and expenses for the year	(3,001)	9,733	2,087
Contributions from WCC			
Loan Contributions for Public Space	5,000	(7,000)	(3,500)
Equity Contributions for Operations	0	0	0
Equity Contributions for Management Fee	1,400	1,400	1,400
Total WCC Equity Contributions	6,400	(5,600)	(2,100)
Equity as at 30th June	165,827	169,960	169,947

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CASH FUNDS SCHEDULE	June		
	2011	2012	2013
Public Space Fund			
Receipts			
WCC Equity Contribution / Loan Financing	5,000	(7,000)	(3,500)
TSB Arena Development - WCC Contribution	0	0	0
Total Receipts	5,000	(7,000)	(3,500)
Payments			
Public Space Improvements	4,219	6,220	2,100
Total Payments	4,219	6,220	2,100
Net Transactions for Period	781	(13,220)	(5,600)
Brought Forward Balance	(7,124)	(6,343)	(19,563)
Balance at end of Period	(6,343)	(19,563)	(25,163)
Commercial Development Fund			
Receipts			
Proceeds from Commercial Developments	1,450	14,250	5,775
Total Receipts	1,450	14,250	5,775
Net Transactions for Period	1,450	14,250	5,775
Brought Forward Balance	9,046	10,496	24,746
Balance at end of Period	10,496	24,746	30,521
Operations Fund			
Receipts			
WCC Equity Contribution - WWL Fee	1,400	1,400	1,400
Receipts from customers	4,253	3,913	3,546
Interest Received	24	24	24
Total Receipts	5,677	5,337	4,970
Payments			
Operating Expenses before Int, Tax, Depc'n	5,998	5,902	5,116
Working Capital Adjustments - Payables	400	0	0
Loan payments / interest	764	610	223
Total Payments	7,162	6,512	5,339
Net Transactions for Period	(1,485)	(1,174)	(370)
Brought Forward Balance	(1,697)	(3,182)	(4,356)
Balance at end of Period	(3,182)	(4,356)	(4,725)
Net Cash at end of Period	971	827	633