

**POSITIVELY**

**Wellington**

*WellingtonNZ.com*

**TOURISM**



Partnership Wellington Trust  
**Annual Report** 2009/2010



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WellingtonNZ.com

**TOURISM**

Level 28, Grand Plimmer Tower, Gilmer Terrace,  
PO Box 10 017, Wellington, New Zealand.

P: +64 4 916 1205 F: +64 4 916 1214

E: info@WellingtonNZ.com



## From the Chair

A number of visions for the Wellington tourism industry were realised this year, adding vital chapters to the story Partnership Wellington Trust is charged with telling to the world. The actions outlined in the Wellington Visitor Strategy 2015 are well underway.

### Build it and they will come

The opening of two world class attractions in March is incredibly exciting for our city and industry. ZEALANDIA: The Exhibition and Carter Observatory provide much needed commissionable products for trade to feature and sell. These developments are pivotal to our international message that 'One Night is Not Enough' in Wellington.

Our city had also been missing a daily 'hop-on, hop-off' service connecting its sights. InterCity's May announcement of a new Capital Explorer service launching later in 2010 capped off an incredible year in the product development space for Wellington and has set the scene for an exciting 2010/11.

### Showing Australians There's No Place Like Wellington

The launch of a consumer campaign in Australia this year is an absolute credit to our city funders, executive team and creative partners. Wellington has led the way in how our country is marketed to our nearest neighbours and that could not have happened without an increased contribution from Downtown Levy ratepayers and other commercial and regional partners.

### A project shared is an opportunity doubled

The Australia campaign, Rugby World Cup 2011 preparations and continuing development of the Visa Wellington On a Plate festival are just some examples of how our organisation is connecting with others to drive results for the city and wider region. The enhancement of relationships with other council controlled and funded organisations has been an exciting development as we all look to maximise and deliver on public investment.

The financial result for the year was a small operating loss of \$34,449. This was as forecast and was funded from our reserves. Partnership Wellington Trust remains in a solid financial position, with funds at year-end at \$491,444.

### Being the Best

Positively Wellington Tourism aims to be a leader in its field and we couldn't be this without our dynamic team. On behalf of the Board I'd like to thank David and his staff for their dedication and drive, as well as our core partners – Wellington City Council and Downtown Levy ratepayers – for theirs.



**Glenys Coughlan** CHAIR

## From the CEO

In today's world marketers need to be nimble, relevant and innovative; the Positively Wellington Tourism team positively rose to the challenge this year.

Great marketing isn't in finding a formula that works. It's in finding a formula that works and improving on it. Again and again. Our city is regularly ruled the country's favourite destination, our campaigns are prominent and the numbers stack up. It would be easy for Wellington to rest on its laurels. I am very proud and incredibly fortunate to work for a city and lead a team for whom that is not an option. The ability and willingness to constantly question and develop what we do and how we do it is extraordinary and this year proved pivotal in achieving exciting developments and results in a challenged market.

### Spoilt for Choice

While maintaining the 'Spoil Yourself' campaign platform, our New Zealand Marketing Team this year diversified its activity to add urgency and market relevance to its message. Major events were used as tactical calls-to-action through our television and online campaign, and the competition-led 'Ultimate Wellington Weekends' sub campaign saw us talk to more niche markets. We've also delved into the events space with Visa Wellington On a Plate, with the planning for the second round seeing the festival double its menu for 2010.

### Online Going Off

WellingtonNZ.com remains by far the most visited official regional tourism site in New Zealand, with around 200,000 more visits annually than our nearest competitor.

The site saw a 27% increase in visits in 09/10, with over \$700,000 of sales generated for our partners. The soft launch of a revamped events section of our site in February saw page views surge and time spent quickly increase by almost 50%. The revamp was rolled out across the entire site at the end of the 09/10; we look forward to building and reporting on these results accordingly.

### Balancing dollars with sense

At the coal face, the i-SITE Visitor Centre has this year focused on balancing revenue objectives with our city's strategic objectives. A lot of energy has been put into not just selling products, but selling Wellington. Local attractions and accommodation were the biggest seller in the new Interislander i-SITE, showing the country's first floating i-SITE is doing its job of ensuring we influence visitors making last minute spontaneous decisions to spend more time (and therefore money) in Wellington.

It has been a pivotal year in Wellington tourism, launching a new phase in the journey to becoming 'the best little capital in the world'. I'm sure those interested in tourism and the value it offers Wellington, will join me in thanking my team and Board for their incredible passion and work ethic. To our Council, central government and industry partners: you have made this year an exceptional one for Wellington tourism. Thank you for making our jobs not just do-able, but absolutely positively delightful.



David Perks CEO

## The Board



Glenys Coughlan CHAIR



David Perks CEO



Ruth Pretty



John Milford



Kim Wicksteed



Mike O'Donnell

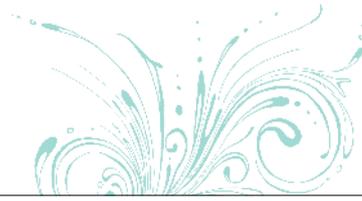


Jo Coughlan



Peter Monk

## Highlights of the Year



**Wellington On a Plate** 2009 media coverage reaches over 3.5 million eyes and ears, at an advertising value of over \$350,000. Visa secured as naming rights sponsor for 2010 festival.



Time spent on new-look **WellingtonNZ.com** events section increases by almost 50%.



Over 24,000 Wellingtonians now kept in the **KNOW**.



PHOTO: PAUL MCCREDIE

**ZEALANDIA: The Karori Sanctuary Experience** opens new visitor centre and gets further international recognition.



**Football fever** strikes Wellington with record-breaking results.



Wellington launches a \$2 million consumer **campaign in Australia**.



## Downtown



Over 24,000 Wellingtonians and hundreds of downtown businesses are now kept 'in the KNOW' by Positively Wellington Tourism.

OUR GOALS	RESULTS
Downtown weekend visitation within 10% of 2008/09 levels (Source: BNZ MarketView)	Downtown Wellington weekend visitation for the year to June 2010 declined by 0.17% compared with 2008/09. > Our goal was met.
Downtown weekend sales within 10% of 2008/09 levels (Source: BNZ MarketView)	Weekend spending in downtown Wellington for the year to June 2010 declined by 1% compared with the same period in 2008/09. > Our goal was met.
Weekend car parking occupancy 5% above 2008/09 levels (Source: Wilson Parking)	Due to changes in the car parks involved in the programme during the year, comparative results are available for 6/8 car parks. Four of the six achieved an increase in occupancy of 5% compared to 2008/09 levels during the year. > Our goal was partly achieved.
Increase the KNOW database to 20,000 KNOW e-news distributed fortnightly	The KNOW database grew by 2,956 to 24,012 subscribers. The KNOW e-news was distributed fortnightly throughout the year. > We exceeded our goals in this area.
Increase the KNOW Business database to 600 KNOW Business distributed fortnightly	The KNOW Business database grew by 32 subscribers to 610. KNOW Business was distributed fortnightly throughout the year. > Our goals were achieved.
Deliver at least 2 tactical campaigns with Partners	A KNOW e-news campaign with Mojo coffee started in December and is still running. A KNOW Parking campaign launched with Kirkcaldie & Stains is still running. > Our goal was achieved.
Produce and distribute the Downtown Year Planner	The 2010 Downtown Year Planner was produced and distributed in December. > Our goal was achieved.

# New Zealand



Wellington was twice named Kiwis' favourite destination in the Fly Buys/Colmar Brunton Mood of the Traveller survey. This popularity converted into visitation, with a healthy increase in commercial visitor nights over the year.

OUR GOALS	RESULTS
<p>2% growth in visitor nights above 2008/09 levels (Source: CAM)</p> <p>Weekend rooms sold in partner hotels 2% above 2008/09 levels (Source: Hotel Monitor)</p>	<p>Domestic visitor nights for the year to June 2010 increased 4% to 1,320,661 when compared with 2008/09.</p> <p>Weekend rooms sold in partner hotels increased by 1.4% (YE June '10).</p> <p>&gt; We exceeded our goals in this area.</p>
<p>Generate \$660,000 of bookings through WellingtonNZ.com (joint KPI with Online)</p>	<p>\$710,113 of sales were generated for Wellington tourism industry partners through WellingtonNZ.com.</p> <p>&gt; Our goal was achieved.</p>
<p>Grow visitation to WellingtonNZ.com by 35% compared to 2008/09 (joint KPI with Online)</p>	<p>Visits to WellingtonNZ.com increased by 27% to 1,369,726.</p> <p>&gt; Our goal was not met in this area.</p>
<p>Maintain at least 20 funding partners in New Zealand marketing partnership</p>	<p>The New Zealand Marketing Campaign had 24 funding partners – Te Papa and 23 inner city Wellington hotels.</p> <p>&gt; We exceeded our goal.</p>
<p>Deliver marketing for the ticket sale and event phases of Montana World of WearableArt® Awards Show and the NZI Sevens</p>	<p>Ticket sale and event marketing activity for the 2009 Montana World of WearableArt Awards Show and 2010 NZI Sevens was delivered on time and on budget.</p> <p>&gt; Our goals were met.</p>
<p>Joint market at least 4 Wellington events through TV, online or appropriate mediums</p>	<p>4 joint campaigns promoting the Wellington Phoenix football season, City Gallery's re-opening exhibition Kusama: The Mirrored Years, the re-opening of Carter Observatory and the launch of ZEALANDIA: The Exhibition were run.</p> <p>&gt; We met our goal.</p>
<p>Joint market up to 3 Te Papa exhibitions through TV and online campaigns</p>	<p>We ran 3 joint market campaigns with Te Papa promoting the Formula One, A Day in Pompeii and Paper Skin exhibitions.</p> <p>&gt; We met our goal.</p>
<p>Produce at least 2 event calendars</p> <p>Deliver at least 3 tactical campaigns with partners</p>	<p>1 printed event calendar was produced, with promotion then focusing on the revamped WellingtonNZ.com/events website.</p> <p>We ran 3 tactical campaigns with partners: hotel deal-led activity around the AC/DC concert and Wellington Phoenix play-off, and an 'Ultimate Wellington Weekends' competition.</p> <p>&gt; We achieved our goals.</p>

# Australia

Positively Wellington Tourism led the development of a new joint venture structure for marketing regions in Australia. This saw the launch of Wellington's first major consumer campaign - 'There's No Place Like Wellington'.

OUR GOALS	RESULTS
<p>At least maintain Australian visitor arrivals at 2008/09 levels (Source: IVA) and aim to match NZ inbound growth</p>	<p>Direct Australian visitor arrivals in the year to June 2010 totaled 110,643, an increase of 8.9% from 2008/09.</p> <p>Inbound growth to New Zealand in the same period was 11%.</p> <p>&gt; Our goal was partially achieved. New Zealand inbound growth was spiked by a big ski season push.</p>
<p>Airline capacity maintained at least at 2008/09 levels and negotiations advanced to grow capacity further</p>	<p>Air capacity in the year to May increased 1% on 08/09 levels. PWT partnered with both Pacific Blue and Air New Zealand in new consumer marketing campaign activity in Australia in a bid to increase demand and, therefore, capacity. It is expected one of the major carriers will add direct capacity out of Canberra into Wellington in the near future.</p> <p>&gt; Our goal was achieved.</p>
<p>12 trade familiarisations per year undertaken</p>	<p>17 trade familiarisations were held.</p> <p>&gt; Our goal was achieved</p>
<p>60 sales visits to Australian wholesalers</p> <p>6 operators to participate in joint sales visits to wholesalers</p>	<p>63 sales visits were made to Australian wholesalers in Adelaide, Melbourne, Sydney and Brisbane.</p> <p>5 operators participated in joint sales, however Te Papa and Interislander took part multiple times.</p> <p>&gt; Our goals were met.</p>
<p>40 media placements achieved reflecting Wellington and wider region key messages</p> <p>Perception research in Australia undertaken showing improved awareness</p>	<p>65 stories about Wellington were generated during the year.</p> <p>Perception research was undertaken in Australia in October to determine the audience and geographic targeting of campaign activity, but there is not comparative data available.</p> <p>PWT is on the steering committee of TNZ's new regional perception research. Initial results are due in July, with comparative data expected to analyse shift in awareness in the coming year.</p> <p>&gt; Our goals were achieved in this area.</p>



## International

Major attraction developments have this year given weight to our message to international visitors and trade that 'One Night is Not Enough' in Wellington. International media interest in the city and surrounds continues to build, with some particularly strong broadcast coverage this year. Trade and media activity focused on RWC 2011 began and has set the platform for a successful festival.

OUR GOALS	RESULTS
<p>Number of partners within 5% of 2008/09 levels</p>	<p>The number of partners in the International Marketing Group (59) and International Marketing Alliance (5) remained the same as 2008/09.</p> <p>Overall partner funding was within 5% of 08/09 levels.</p> <p>&gt; Our goal was met.</p>
<p>40 sales calls to Inbound Tour Operators (IBO)</p> <p>Train 350 frontline staff from key markets</p> <p>Sales calls to 100 decision makers in key offshore markets</p>	<p>Sales calls were made to 60 IBOs and 126 decision makers, with 422 frontline staff trained.</p> <p>&gt; Our goals were exceeded in this area.</p>
<p>Undertake i-SITE training road show</p>	<p>An i-SITE training road show was carried out in November.</p> <p>&gt; Our goal was met.</p>
<p>Increase Wellington coverage in US &amp; UK brochures, websites and guide books</p>	<p>Wellington's profile was enhanced in key publications, including online travel seller Orbitz and the Lonely Planet, Frommers and Rough Guide guide books.</p> <p>&gt; Our goal was met.</p>
<p>Deliver a cruise-specific mobile phone guide and assist CentrePort to deliver enhanced visitor reception services</p> <p>Provision of port to city shuttles for Cruise ship passengers</p>	<p>Scoping revealed the return on focusing resource on frontline staff at the cruise terminal and key city locations would be more effective than a specific mobile guide. A cruise-specific map was also developed with CentrePort for passengers.</p> <p>27 of 47 cruise ships that visited Wellington took advantage of PWT/WCC shuttle services. The service is being promoted by Cruise New Zealand as a model that could be implemented in other ports.</p> <p>&gt; While a mobile guide was not developed, this activity was replaced by a more beneficial initiative. Therefore our goals were achieved in this area.</p>
<p>Further develop the travel trade section of WellingtonNZ.com</p> <p>Distribute 4 e-updates to trade</p> <p>Distribute 8 e-updates to media</p>	<p>The travel trade section of WellingtonNZ.com was integrated with WellingtonNZ.com/media. Enhancements include an updated image library and downloadable resources.</p> <p>4 e-updates to trade and 8 media updates were distributed.</p> <p>&gt; Our goals were met.</p>



**OUR GOALS**

**RESULTS**

Host 2 familiarisations for Inbound Tour Operator staff reaching 10 separate companies  
 Host 1 product buyer familiarisation involving 5 leading product buyers.  
 Host 15 wholesale or retail trade familiarisations

9 Inbound Tour Operators, 8 Product Buyers and 15 wholesale and retail trade famils were hosted.  
 > Our goals were met.

Produce 2010 Wellington Regional Visitor Guide  
 Achieve 70 positive editorial media placements  
 Assist CNZWT and IMA partners to achieve at least 5 editorial media results

The Wellington Visitor Guide was published in Q2.  
 73 positive media placements about Wellington and 19 editorial about CNZWT were achieved.  
 > Our goals were achieved.

## Long Haul



Exploration into emerging markets such as China and India alongside Tourism New Zealand continues as we take the best little capital in the world to the globe.

OUR GOALS	RESULTS
Funding within 5% of 2008/09 levels Retain at least 5 funding partners	Following a review by regional council partners, ongoing funding for Long Haul was only secured from Wellington City Council. > Our goals were not met in this area.
Provide two updates annually to funding partners	Wellington City Council was informed through quarterly reports and meetings between PWT staff, councillors and council officers. > Our goal was achieved.
Contact maintained with at least three target airlines	We continued to have discussions and support proposals to a number of prospective carriers to Wellington including Air New Zealand, Pacific Blue, Jetstar and a number of other Asian carriers. > Our goal was achieved.
Undertake a minimum of 10 trade and airline sales calls to key Asia wholesalers	Sales calls were made to 51 Asian wholesalers in market and through an Asian appointment stream at the TRENZ travel trade show. > We exceeded our goal in this area.

## Online

WellingtonNZ.com remains a leader in its field nationally, with close to 200,000 more unique visitors than its nearest New Zealand competitor. Facebook and Twitter proved valuable tools in both telling our story and directing traffic to our website.

OUR GOALS	RESULTS
Maintain a presence in four social media communities	We maintained and proactively managed presence on Facebook, Twitter, YouTube and Trip Advisor. > Our goal was met.
Generate \$660,000 of bookings through WellingtonNZ.com (joint KPI with New Zealand)	\$710,113 of sales were generated for Wellington tourism industry partners through WellingtonNZ.com. > Our goal was achieved.
Grow visitation to WellingtonNZ.com by 35% compared to 2008/09 (joint KPI with New Zealand)	Visits to WellingtonNZ.com increased by 27% to 1,369,726. > Our goal was not met in this area.
Maintain top 3 position in indicator search engines (via organic search- Wellington accommodation, Wellington events, Wellington shopping, Wellington restaurants) Source: Google, Yahoo, MSN – now Bing	WellingtonNZ.com is the first result on Google, Yahoo, and Bing for all search terms, except for 'Wellington Restaurants', which is second on Yahoo. > Our goal was met.
12,000 unique visitors to the Wellington mobile site and 2 new features introduced	There were 12,308 visitors to our mobile site during 09/10. A new 'Welly Walks' iPhone application was released, with 2150 downloads to date. A Wellington On a Plate 'on your mobile' feature was also developed. > Our goals were achieved.

## Wellington Convention Bureau

The meetings, incentives and conference sector was challenged this year nationally, particularly within the multiple day category. Despite being down a team member for five months, the Wellington Convention Bureau increased the region's market share and grew industry partnerships.

OUR GOALS	RESULTS
Partner funding within 5% of 2008/09	Industry partner funding increased 3% to \$176,000. > Our goal was met.
Membership numbers within 5% of 2008/9 levels	Industry partner membership increased 7% to 104. > Our goal was met.
Conduct 500 sales calls Undertake 360 research calls	430 sales and 149 research calls were made during the year. The Research & Sales Executive role was vacant for five months from February-June. A restructure saw the appointment of a sales-focused position being introduced as of July 2010. > Our goals were partially met.
Host 85 prospective clients on familiarisations.	86 prospective convention trade clients were hosted on familiarisations to Wellington. > Our goal was achieved.
Facilitate Wellington representation at two trade shows (AIME, MEETINGS)	The Wellington Convention Bureau attended: - MEETINGS 2009 with 14 partners in July - AIME (Australian Incentives & Meetings Exhibition) with the Wellington Convention Centre in March. - MEETINGS 2010 with 14 partners in June. > Our goal was met.
Publish the 2010-11 Wellington Meetings and Incentive Guide in Q3	The Wellington Meetings and Incentive Guide was produced and published both in hard copy and online. > Our goal was met.
Undertake two sales visits to Australia	Sales visits were carried out in Canberra and Melbourne in December. > Our goal was met.



## Wellington i-SITE Visitor Centre



The launch of New Zealand's first floating i-SITE and a large increase in local activities and accommodation sales were among many highlights at the frontline.

OUR GOALS	RESULTS
<p>Grow revenue by at least 6%</p> <p>Increase sales of Wellington attractions, tours and accommodation by 10%</p>	<p>Revenue was up 1.9% to \$3,034,459 from 2008/09.</p> <p>Total sales of Wellington activities and accommodation increased by 11.9% to \$820,022.</p> <p>&gt; We partially met our goals in this area.</p>
<p>Customer satisfaction at consistently high levels of 90%</p>	<p>Most recent assessment saw 82% satisfaction level for i-SITE service, 90% for phone enquiries and 89% for email enquiries.</p> <p>&gt; Our goal was partially achieved.</p>
<p>Relocation and operational feasibility of new i-SITE determined</p>	<p>Research into the best location for the Wellington iSITE and operational feasibility study for new fit-out of existing location were carried out.</p> <p>&gt; Our goal was achieved.</p>
<p>Break-even financial result achieved whilst operating the welcoming face to visitors to Wellington</p>	<p>The Wellington i-SITE produced a net loss of \$46,844.</p> <p>&gt; Our goal was not achieved.</p>
<p>Visitors to i-SITE maintained at least at 2008/09 levels</p>	<p>394,228 people visited the i-SITE, compared to 382,677 in 08/09.</p> <p>&gt; Our goal was achieved.</p>

## Product Development

The opening of two world class visitor attractions and the announcement of a 'hop-on, hop-off' tour due to launch later in 2010 were big news for Wellington tourism this year. A new waterfront motorhome park was also a vital and welcome addition.

OUR GOALS	RESULTS
<p>Monitor and advocate for the continual improvement of tourism related infrastructure</p>	<p>Positively Wellington Tourism continued to advocate for the development of tourism infrastructure, with a particular emphasis on Rugby World Cup 2011.</p> <p>The organisation took a lead role in the development of inner-city tourism transportation with private sector stakeholders.</p> <p>&gt; Our goal was achieved.</p>
<p>Help advance the development of ZEALANDIA and other significant attractions</p> <p>Carter Observatory opened</p>	<p>During 2009/10 we supported the projects which saw the re-opening of the Carter Observatory and the opening of ZEALANDIA: The Exhibition.</p> <p>We have engaged with the Wellington Marine Education Centre Trust about the new Lyall Bay location and will continue to offer our support.</p> <p>&gt; Our goal was achieved.</p>
<p>Market and funding feasibility for a purpose-build convention centre fully understood</p>	<p>We worked with WCC on a proposal for the Ministry of Economic Development's facilities expansion initiative.</p> <p>&gt; We achieved our goal.</p>
<p>Tourism Strategy updated and action items within it initiated</p>	<p>We continue to work proactively with the tourism sector on achieving the goals set out within the Wellington Visitor Strategy. A number of action items were achieved this year, with a 'year on' update distributed to industry in December.</p> <p>&gt; Our goal was achieved.</p>
<p>One commissionable product developed from repackaging existing products</p>	<p>InterCity Group announced a new CitySights 'Hop-On, Hop-Off' tour around our city's key attractions, to be launched in September 2010.</p> <p>&gt; Our goal was achieved.</p>
<p>1 to 2 investment groups having completed feasibility studies on niche accommodation developments</p>	<p>We continued to provide data and advice to one commercial stakeholder investigating the feasibility of investing in accommodation opportunities. We also worked with Positively Wellington Waterfront on the opening and marketing of the Wellington Waterfront Motorhome Park.</p> <p>&gt; Our goals were achieved.</p>

## Research



Our local research programme and work on continuous improvements for national data have assisted the development of meaningful business plans for new tourism product.

OUR GOALS	RESULTS
Produce and communicate Hotel Monitor, CAM, WAAM and other statistics monthly	<p>We produced and communicated the results of the Hotel Monitor, Commercial Accommodation Monitor (CAM), Wellington Attractions and Activities Monitor (WAAM) and other statistics to our partners monthly.</p> <p>&gt; Our goal was achieved.</p>
Deliver annual domestic market research programme quarterly	<p>The BNZ MarketView Domestic and Downtown reports were communicated to our partners quarterly.</p> <p>We continued to engage with the Ministry of Tourism regarding improvements to the Domestic Travel Survey.</p> <p>&gt; Our goal was achieved.</p>
Deliver annual international market research programme quarterly	<p>We analysed and communicated the international market datasets on an ongoing basis, particularly the International Visitor Survey (IVS), International Visitor Arrivals (IVA), Regional Visitor Monitor and Commercial Accommodation Monitor.</p> <p>As the RTO representative on the IVS Stakeholder Group we continued to work with the Ministry of Tourism on improvements to the IVS.</p> <p>&gt; Our goal was achieved.</p>
Improvement of national tourism statistics to help Positively Wellington Tourism with more effective decision making	<p>Leading other RTO participants in the Regional Visitor Survey, we gained agreement to the sharing of results for learning and benchmarking purposes.</p> <p>In April the Domestic Tourism Market Segmentation process was completed and shared in seminars with our industry partners.</p> <p>We also initiated Tourism New Zealand Research in Australia that has and will continue to assist us in maximising our opportunity in that market.</p> <p>&gt; Our goal was achieved.</p>
Manage i-SITE research needs	<p>We managed and delivered the national i-SITE Sales Report on a monthly basis. Research to ascertain the best location for the Wellington city i-SITE was also carried out.</p> <p>&gt; We achieved our goals in this area.</p>

# Communications



By focusing on relevance and proactive storytelling, media coverage of Positively Wellington Tourism and the Wellington tourism industry more than doubled this year.

OUR GOALS	RESULTS
15 media hosted to support New Zealand Marketing Strategy	34 media were hosted in support of the New Zealand marketing strategy. > We exceeded our goal.
80% of media coverage of PWT and Wellington tourism is positive and 08/09 levels are maintained	During the 2009/10 year there were 642 stories recorded about PWT and Wellington tourism, compared to 286 in 2008/09, an increase of 124%. 83% of media coverage was positive. > We exceeded our goal.
20 media releases about PWT or Wellington tourism distributed	56 media releases were distributed about PWT or tourism in Wellington. > We exceeded our goal.
12 issues of Positively Informed produced and distributed	12 issues of Positively Informed were distributed to a database of over 2000 industry subscribers. > We met our goal.
WellingtonNZ.com media sections updated fortnightly	Media sections of WellingtonNZ.com were updated fortnightly. > We met our goal.

## Financial Statements

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## **Audit Report**

To The Readers Of  
Partnership Wellington Trust Incorporated's  
Financial Statements And Performance Information  
for the Year Ended 30 June 2010

**Grant Thornton**  
PO Box 10712  
Level 13  
AXA Centre  
80 The Terrace  
Wellington 6143  
New Zealand  
T +64 (0)4 474 8500  
F +64 (0)4 474 8509  
E [info@gtwn.co.nz](mailto:info@gtwn.co.nz)  
[www.grantthornton.co.nz](http://www.grantthornton.co.nz)

The Auditor-General is the auditor of Partnership Wellington Trust Incorporated (the Trust). The Auditor-General has appointed me, Brent Kennerley, using the staff and resources of Grant Thornton, to carry out the audit on her behalf. The audit covers the financial statements and the performance information included in the annual report of the Trust for the year ended 30 June 2010.

### **Unqualified Opinion**

In our opinion:

- The financial statements of the Trust on pages 20 to 40:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the Trust's financial position as at 30 June 2010; and
    - the results of its operations and cash flows for the year ended on that date.
- The performance information of the Trust on pages 37 to 40 fairly reflects the achievements measured against the performance targets adopted for the year ended 30 June 2010.

The audit was completed on 10 August 2010, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition we outline the responsibilities of the Board of Trustees and the Auditor, and explain our independence.

### **Basis of Opinion**

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and performance information did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and performance information. We assessed the results of those procedures in forming our opinion.

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Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Board of Trustees;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information.

We evaluated the overall adequacy of the presentation of information in the financial statements and performance information. We obtained all the information and explanations we required to support our opinion above.

## Responsibilities of the Board of Trustees and the Auditor

The Board of Trustees is responsible for preparing the financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Trust as at 30 June 2010 and the results of its operations and cash flows for the year ended on that date. The Board of Trustees is also responsible for preparing performance information that fairly reflects service performance achievements for the year ended 30 June 2010. The Board of Trustees' responsibilities arise from the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

## Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

In addition to the audit we have carried out assignments in the areas of taxation advice, which are compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with or interests in the Trust.



Brent Kennerley  
Grant Thornton New Zealand Audit Partnership  
On behalf of the Auditor-General  
Wellington, New Zealand  
25 August 2010

## Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2010	NOTE	Actual	Budget	Actual
		2010 \$	2010 \$	2009 \$
<b>INCOME</b>				
Wellington City Council funding	21	5,440,000	4,940,000	4,940,000
Interest income		95,845	60,983	120,014
Visitor Centre income	1, 21	3,050,382	2,797,674	3,237,522
Rental income	1	96,752	96,744	99,826
Partner income		1,444,794	1,208,474	1,451,669
Cruise shuttle operations		146,291	-	1,712
<b>TOTAL INCOME</b>		<b>10,274,064</b>	<b>9,103,875</b>	<b>9,850,743</b>
<b>EXPENDITURE</b>				
Personnel costs	2	2,256,868	2,207,365	2,191,150
Depreciation & amortisation expenses		164,543	164,040	160,419
Visitor Centre cost of sales	1	2,520,533	2,394,375	2,694,279
Marketing, publications and cruise shuttle operations		4,641,044	3,493,990	3,942,250
Premises expenses		333,268	286,676	331,246
Operating expenses	3	392,257	557,429	429,397
<b>TOTAL EXPENDITURE</b>		<b>10,308,513</b>	<b>9,103,875</b>	<b>9,748,741</b>
<b>SURPLUS/(LOSS) FOR THE YEAR BEFORE TAX</b>		<b>(34,449)</b>	<b>-</b>	<b>102,002</b>
Income tax expense	10		-	17,236
<b>SURPLUS/(LOSS) FOR THE YEAR</b>		<b>(34,449)</b>	<b>-</b>	<b>84,766</b>
Other comprehensive income		-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(34,449)</b>	<b>-</b>	<b>84,766</b>

## Statement of Movement in Trust Funds

FOR THE YEAR ENDED 30 JUNE 2010	NOTE	Actual	Budget	Actual
		2010 \$	2010 \$	2009 \$
ACCUMULATED FUNDS				
Funds at beginning of year		525,890	441,124	441,124
TOTAL COMPREHENSIVE INCOME				
Surplus/(Loss) for the year		(34,449)	-	84,766
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		(34,449)	-	84,766
Transactions with owners recorded directly in equity		-	-	-
Transactions with non-owners recorded directly in equity		-	-	-
Total accumulated funds		491,441	441,124	525,890
TOTAL TRUST FUNDS		491,441	441,124	525,890

The Notes to the Financial Statements form part of and are to be read in conjunction with the Financial Statements.

## Statement of Financial Position

FOR THE YEAR ENDED 30 JUNE 2010	NOTE	Actual	Budget	Actual
		2010 \$	2010 \$	2009 \$
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	4	367,826	513,090	645,950
Short term deposits	4	407,773	-	386,413
Trade debtors and other receivables	5	286,537	245,000	215,400
Prepayments		59,538	-	14,889
Inventories	6	-	1,500	821
Total current assets		1,121,674	759,590	1,263,473
<b>Non Current Assets</b>				
Intangible assets	12	133,598	150,241	140,627
Property plant & equipment	11	117,257	90,291	84,887
Total non current assets		250,855	240,532	225,514
Total assets		1,372,529	1,000,122	1,488,987
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade creditors and other payables	7	533,304	391,000	701,898
Income in advance		214,046	98,000	107,012
Current tax payable	10	-	-	17,236
Employment entitlements	8	133,738	70,000	136,951
Total current liabilities		881,088	559,000	963,097
Total liabilities		881,088	559,000	963,097
NET ASSETS		491,441	441,122	525,890
<b>TRUST FUNDS</b>				
<b>Accumulated funds</b>				
Total trust funds		491,441	441,124	525,890

These financial statements are approved by the Board on 9 August 2010.

CHAIR: Glenys Coughlan

TRUSTEE: John Milford



DATE: 10 AUGUST 2010



DATE: 10 AUGUST 2010

The Notes to the Financial Statements form part of and are to be read in conjunction with the Financial Statements.

## Statement of Cash Flow

FOR THE YEAR ENDED 30 JUNE 2010	NOTE	Actual	Budget	Actual
		2010 \$	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Wellington City Council funding		5,440,000	4,940,000	4,940,000
Interest income		95,845	60,983	120,014
Visitor Centre income		3,050,381	2,894,418	3,238,030
Rental income		96,753	96,752	99,826
Partner income		1,444,795	1,111,722	1,382,420
Other income		146,291	-	1,712
Payments to suppliers		(8,278,157)	(6,693,317)	(7,233,150)
Payments to employees		(2,063,247)	(2,207,365)	(2,173,852)
Income taxes paid		-	-	(17,236)
Net cash inflow/(outflow) from operating activities	9	(67,339)	203,193	357,764
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Receipts from sale of property, plant & equipment		-	-	-
Purchase of intangible assets		113,900	33,000	23,634
Purchase of property plant and equipment		75,525	120,140	93,557
Net cash inflow/(outflow) from investing activities		189,425	153,140	117,191
Net increase/(decrease) in cash		(256,764)	50,053	240,573
Cash balance at the start of the period		1,032,363	463,037	791,790
Total cash at the end of the period		775,599	513,090	1,032,363
Total cash is represented by:				
Cash and cash equivalents		367,826	513,090	645,950
Short term investments		407,773	-	386,413
Total cash at the end of the period		775,599	513,090	1,032,363

The Notes to the Financial Statements form part of and are to be read in conjunction with the Financial Statements.

## Notes to the Financial Statements

### REPORTING ENTITY

These financial statements comprise the separate financial statements of the Partnership Wellington Trust Incorporated (the "Trust"), for the year ended 30 June 2010.

The Trust was incorporated under the Charities Trusts Act 1957.

The principle objective of the Trust is to market and add value to Wellington and to achieve sustainable economic growth for the benefit of the public of Wellington.

The financial statements were authorised for issue by Members of the Trust Board on 12 August 2010.

### BASIS OF PREPARATION

#### a) Statement of Compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate to non-profit orientated entities.

The Trust qualifies for Public Benefit reporting exemptions as its primary objective is to provide services to the community for social benefit and the Trust has been established with a view to supporting that primary objective rather than financial return. All available public benefit reporting exemptions available under NZ IFRS have been adopted.

#### (b) Basis of measurement

The financial statements have been prepared on an historical cost basis. The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

#### (c) Presentation currency

The financial statements are presented in New Zealand dollars (\$), which is the Trust's functional currency.

#### (d) Judgements and estimations

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Where material, information on major assumptions is provided in the relevant accounting policy or will be provided in the relevant note.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are

revised when the revision affects only the period. If the revision affects both current and future periods, it is reflected in the respective period it relates to.

#### (e) Changes in accounting policy and disclosures

The accounting policies adopted for the year ended 30 June 2010 are consistent with those of the previous financial year, except that the Trust has adopted the following new and amended New Zealand equivalents to IFRS and IFRIC interpretations as at 1 July 2009. The changes have had only a presentation and disclosure impact.

#### NZ IAS 1 - Presentation of Financial Statements (revised)

The revised standard separates owner and non-owner changes in equity in the Statement of Changes in Equity and introduces the term "other comprehensive income" (i.e. changes in equity during the period, other than those resulting from transactions with owners in their capacity as owners and the net profit or loss).

Revised NZ IAS 1 introduces a new primary financial statement "the Statement of Comprehensive Income", which discloses all movements in equity in the period other than transactions with owners in their capacity as owners. All non-owner changes in equity are presented in either one Statement of Comprehensive Income or two linked statements (i.e. an Income Statement and a Statement of Comprehensive Income). The Trust has elected to present one Statement of Comprehensive Income.

#### Amendments to NZ IFRS 7 - Financial Instruments: Disclosures

The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk.

#### Amendments to NZ IAS 24 - Related Party Disclosures

The amended standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The Trust has elected to early adopt the revised standard.

#### Improvements to IFRSs

In May 2008 and April 2009 the IASB issued the omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the reported financial position or performance of the Trust.

- NZ IAS 7 Statement of Cash Flows: Explicitly states that only expenditure that results in recognising an asset (or disposal of an asset) can be classified as cash flows from investing activities.

- NZ IAS 16 Property, Plant and Equipment: Replaces the term "net selling price" with "fair value less costs to sell". The Trust has amended its accounting policy accordingly, but this did not result in any change in financial position.

- NZ IAS 18 Revenue: Guidance has been added to determine when an entity is acting as a principal or an agent in revenue transactions. The Trust has assessed its revenue arrangements against the criteria provided by the revised standard and concluded current treatment is consistent with the standard.

The impact of improvements to IFRSs issued in 2008 and 2009 resulted in disclosure changes to the financial statements. Amendments to accounting policies have been applied on a prospective basis.

**(f) New NZ IFRS standards and interpretations not yet adopted**

At the date of authorisation of these financial statements, certain new standards and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Trust. New NZ IFRS standards and interpretations not yet adopted include:

**NZ IFRS 9 - Financial Instruments (effective for accounting period commencing on or after 1 January 2013)**

"The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety by the end of 2010, with the replacement standard to be effective for annual periods beginning 1 January 2013. The development of IFRS 9 has been split into three phases:

Phase 1: Classification and measurement.

Phase 2: Impairment methodology

Phase 3: Hedge accounting

In addition a separate project is dealing with de-recognition of financial instruments.

Phase 1 of the project was issued in November 2009 and adoption can be delayed until all three phases are completed. Phase 1 introduces a single approach to determining whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39.

Management have yet to assess the impact this standard is likely to have on financial instruments held. However, they do not expect to implement the standard until all phases of the replacement project have been published and they can comprehensively assess the impact of all changes.

**(g) Comparatives**

To ensure consistency with the current year, certain comparative information has been restated or reclassified as appropriate. This has occurred where classifications changed between periods.

**(h) Budget figures**

The budget figures are derived from the Statement of Intent as approved by the Board of Trustees at the beginning of the financial year. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by Partnership Wellington Trust Inc. for the preparation of financial statements.

## SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

**(a) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**(b) Trade and other receivables**

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

A provision for impairment is established where there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivable.

Receivables with a short duration are not discounted.

**(c) Inventories**

Inventories are stated at the lower of cost and net realisable value (being the net selling price), with due allowance for any damaged and obsolete stock items.

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

Net selling price is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

Any write down in the cost of inventory to net realisable value is recognised in the Statement of Comprehensive Income.

**(d) Property, plant and equipment**

Property, plant and equipment is measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

**(i) Additions**

The cost of acquiring or replacing part of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Trust and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

**(ii) Disposal**

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Income.

**(iii) Depreciation**

Depreciation is charged on a straight-line basis on all property, plant and equipment over the estimated useful life of the asset. Depreciation is charged to the profit or loss in the Statement of Comprehensive Income.

The following depreciation rates have been applied to each class of property, plant and equipment:

Leasehold improvements	20%
Furniture and office equipment	33%
Computers	33%

The residual value of property, plant and equipment is reassessed annually.

**(e) Intangibles**

Intangible assets acquired by the Trust, which have finite useful life, are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the Statement of Comprehensive Income on a straight –line basis over the estimated useful life of the asset. The following depreciation rates have been applied to each class of intangible assets:

Computer software	33%
Website	33%

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

**(f) Trade and other payables**

Trade and other payables are measured at amortised cost using the effective rate interest method.

**(g) Provisions**

A provision is recognised when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

A provision for onerous contracts is recognised when the expected benefits from the contract are lower than the unavoidable costs of meeting contract obligations.

**(h) Employee entitlements**

**Short term benefits**

Employee benefits that the Trust expects to be settled within 12 months of balance date are measured at nominal value based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date, and sick leave.

The Trust recognises a liability for sick leave. The amount is calculated based on the unused sick leave entitlements that can be carried forward at balance date, to the extent that the Trust anticipates that it will be used by staff to cover those future absences.

The Trust recognises a liability and expense for bonuses where they are contractually obliged or where there is a past practice that has created a constructive obligation.

**(i) Income tax**

Income tax expense is the aggregate of current period movements in relation to both current and deferred tax

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respects of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantially enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses (if any). Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the consumption of taxable surplus.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Trust expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a transaction recognised in other comprehensive income or directly in equity.

**(j) GST**

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

**(k) Financial instruments**

Financial instruments comprise trade and receivables, cash and cash equivalents, investments and trade and other payables. The Trust does not hold or issue derivative financial instruments i.e. hedging instruments).

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured

initially at fair value plus transaction costs, except for those carried at fair value through profit or loss, which are measured at fair value. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for similar financial instruments of similar maturity and credit risk

#### **Financial assets**

The subsequent measurement of financial assets depends on their classification. The Trust currently holds financial assets in one classification:

##### **(i) Loans and receivables**

Financial assets that are non-derivative with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Financial instruments classified as loans and receivables include: trade debtors and other receivable balances, cash and cash equivalents and short-term deposits.

The classification depends on the purpose for which financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at each reporting date

#### **Financial liabilities**

All financial liabilities held by the Trust are designated as "loans and receivables", being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest rate method.

The Trust has no off-balance sheet financial instruments.

#### **Impairment of financial assets**

All financial assets are subject to review for impairment at least once each reporting date. Accounts receivable are reviewed for impairment when accounts are past due or when other objective evidence is received that a specific counterparty will default. Impairment of trade receivables are presented in the Statement of Comprehensive Income, within expenses.

##### **(i) Impairment**

The carrying amounts of Trust assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Income.

The estimated recoverable value of assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting to their present value using a pre-tax discount rate that reflects current market rates

and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indicators exist, the Trust estimates the asset's recoverable amount, to measure the reversal of any previous period impairment charges. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversals of impairment are recognised in the Statement of Comprehensive Income.

##### **(m) Revenue**

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of consideration received. The Trust assesses its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship only the portion of revenue earned on the Trust's own account is recognised as gross revenue in the Statement of Comprehensive Income.

The following specific recognition criteria must be met before revenue is recognised:

#### **Wellington City Council Funding**

The Trust is primarily funded through the Wellington City Council. The funding is restricted in its use for the purpose of the Trust meeting its objectives as specified in the Statement of Intent. Revenue from the Wellington City Council is recognised as revenue when earned and is reported in the financial period in which it relates

#### **Donations and grants**

Donations and grants are recognised in the Statement of Comprehensive Income when received and all obligations associated with the donations and grants have been met. Where grants have been given for specific services, income will be recognised in the same period in which the specific service is provided. At balance date any unexpended specific funding is treated as a liability (income in advance).

#### **Sale of goods**

Revenue from the sale of goods is recognised in the Statement of Comprehensive Income when the significant risk and rewards of ownership have been transferred to the buyer, usually on delivery of the goods. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or where there is continuing management involvement with the goods.

**Rendering of services**

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at the reporting date. Under this method, revenue is recognised in the accounting periods in which the services are provided.

**Interest**

Interest revenue is recognised as the interest accrues (using the effective interest method).

**Rental income**

Income from the rental of property is recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease.

**(n) Operating leases as lessee**

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Payments made under these leases are expensed in the statement of financial performance in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Financial Performance on a straight line basis over the term of the lease.

<b>1 Visitor Information Centre</b>		
	2010 \$	2009 \$
Trading income	3,050,381	3,237,522
Rent received	96,752	96,576
Wellington City Council funding	26,000	26,000
Total income	3,173,134	3,360,098
Less:		
Cost of sales	2,520,533	2,694,279
Gross profit	652,601	665,819
Less expenses:		
Employee expenses	480,638	433,041
Depreciation	14,070	18,694
Operating lease expense	100,371	102,371
General operating expenses	119,366	112,414
Total expenses	714,445	666,520
Net Operating Surplus/(Deficit)	(61,844)	(701)

<b>2 Personnel Costs</b>		
	2010 \$	2009 \$
Salaries and wages	2,063,247	1,915,162
Recruitment and contract fees	2,387	68,069
Employer contributions to Kiwisaver	26,204	10,432
Conferences and training courses	15,356	40,129
Board of Trustee fees	98,000	104,072
Accident Compensation levies	10,336	18,321
General personnel costs	41,338	34,965
Total personnel costs	2,256,868	2,191,150

**FOR THE YEAR ENDED 30 JUNE 2010**

<b>3 Operating Expenses</b>		
	2010 \$	2009 \$
Audit fees for financial statement audit	13,750	18,251
Other fees paid to audit firm	11,778	1,500
Communications	79,618	106,164
Computer maintenance	110,505	109,662
Donations	-	-
Printing and stationery	29,019	30,423
Consultancy	4,410	19,206
Membership and subscriptions	16,212	39,976
Vehicle expenses	20,375	27,179
Loss on sale of vehicle	-	10,644
Foreign exchange loss/ (gain)	(9)	1,482
Bad debts	1,135	28,108
Allowance for doubtful debts	-	(11,813)
Other general operating expenses	105,464	48,615
Total other expenses	392,257	429,397

<b>4 Cash at Bank</b>		
	2010 \$	2009 \$
Cash and cash equivalents	367,826	645,950
Short term deposits	407,773	386,413
Total cash	775,599	1,032,363

The carrying value of cash and cash equivalents and short term deposits approximates their fair value.

Cash at bank earns interest at floating rates on daily deposit balances.

Short term deposits are made for varying periods of between six months and one year depending on the immediate cash requirements of the Trust, and earn interest at the respective short-term deposit rates.

The Board requires a minimum cash reserve of \$250,000 to be held by Partnership Wellington Trust Inc. in line with the Statement of Intent requirements.

<b>5 Trade Debtors and Other Receivables</b>		
	2010 \$	2009 \$
Trade debtors and other receivables	94,904	72,351
Related party receivables	405	-
GST receivable	191,228	143,529
Gross trade debtors and other receivables	286,537	215,880
Less allowance for doubtful debts	-	(480)
Total debtors and other receivables	286,537	215,400

Trade debtors and other receivables are non-interest bearing and receipts are normally on 30-day terms. Therefore, the carrying value of trade debtors and other receivables approximates their fair value.

As at 30 June 2010 and 2009, all overdue receivables have been assessed for impairment and appropriate allowances applied. All trade receivables are subject to credit risk exposure.

**FOR THE YEAR ENDED 30 JUNE 2010**

The ageing profile of receivables at year-end is detailed below:

<b>2010 receivable ageing analysis</b>	Gross \$	Impairment \$	Net \$
Not past due	42,087	-	42,087
Past due 1-30 days	33,613	-	33,613
Past due 31-60 days	13,231	-	13,231
Past due 61-90 days	6,378	-	6,378
Past due > 91 days		-	-
<b>Total</b>	<b>95,309</b>	<b>-</b>	<b>95,309</b>

<b>2009 receivable ageing analysis</b>	Gross \$	Impairment \$	Net \$
Not past due	45,688	-	45,688
Past due 1-30 days	7,108	-	7,108
Past due 31-60 days	18,205	-	18,205
Past due 61-90 days	1,350	(480)	870
Past due > 91 days	-	-	-
<b>Total</b>	<b>72,351</b>	<b>(480)</b>	<b>71,871</b>

<b>Allowance for doubtful debts</b>	2010 \$	2009 \$
Opening balance	(480)	11,333
Doubtful debts collected	480	(11,813)
Current year allowance movement	-	-
	-	(480)

The provision for impairment has been based on expected losses for Partnership Wellington Trust Inc. pool of debtors.

**6 Inventories**

	2010 \$	2009 \$
Wellington i-SITE Visitor Centre	-	821
<b>Total</b>	<b>-</b>	<b>821</b>

No inventories are pledged as security for liabilities (2009: Nil).

**7 Trade Creditors and Other Payables**

	2010 \$	2009 \$
Trade creditors	244,355	429,444
Related party payables	1,179	1,515
Accrued expenses	287,770	270,939
<b>Total creditors and other payables</b>	<b>533,304</b>	<b>701,898</b>

Trade creditors and other payables are non interest bearing and are normally settled on 30- day terms. Therefore the carrying value approximates their fair value.

## 8 Employee Entitlements

	2010 \$	2009 \$
Accrued salaries and wages	7,240	-
Accrued remuneration incentives	6,500	32,200
Annual leave	91,177	86,658
Sick leave	28,821	18,093
Total employee entitlements	133,738	136,951

## 9 Reconciliation of Surplus for the Year to Net Cash Flows from Operating Activities

	2010 \$	2009 \$
Surplus/(deficit) for the year	(34,449)	84,766
Add/(deduct) non-cash items:		
Depreciation and Amortisation	164,543	160,419
Total non-cash items	164,543	160,419
Add/(deduct) items classified as investing or financing activities:		
Loss on sale of assets	49	10,644
Total items classified as investing or financing activities	49	10,644
Add/(deduct) movements in working capital items:		
Debtors and other receivables	(71,137)	(39,825)
Prepayments	(44,649)	(14,889)
Inventories	821	508
Creditors and other payables	(165,526)	80,074
Current tax payable	(17,236)	17,236
Income in advance	107,034	38,814
Employee entitlements	(6,281)	20,018
Net movements in working capital items	(196,974)	101,936
Net cash inflow/ (outflow) from operating activities	(66,831)	357,764

## 10 Income Tax Expense

	2010 \$	2009 \$
<b>(i) Components of the income tax expense</b>		
Current year tax expense	-	17,236
Prior year tax adjustment	-	-
Change in deferred tax on temporary differences	-	-
Deferred tax adjustment on change in tax rate	-	-
Total tax expense	-	17,236
Income tax recognised in other comprehensive income	-	-
Tax expense	-	17,236

**FOR THE YEAR ENDED 30 JUNE 2010**

	2010 \$	2009 \$
<b>(ii) Reconciliation of effective rate tax</b>		
Surplus/(loss) before tax	(34,449)	102,002
Income tax expense	-	17,236
Surplus/(loss) for the year	(34,449)	84,766
Income tax at domestic tax rate	(11,368)	33,661
Plus/ (less) tax affect of:	-	-
Non-taxable income	(1,795,200)	(1,630,200)
Non-deductible expenditure	(1,801,219)	1,613,775
Prior year tax adjustment	-	-
Change in deferred tax on temporary differences	-	-
Deferred tax adjustment on change in tax rate	-	-
Income tax	-	-
Deferred tax asset on losses not recognised	(5,349)	-
Income tax recognised in other comprehensive income	-	-
	-	17,236
<b>(iii) Reconciliation of deferred tax asset</b>		
Deferred tax on temporary differences	-	-
Opening deferred tax asset/(liability)	-	-
Current year deferred tax expense	-	-
Closing deferred tax asset/(liability)	-	-
Deferred tax derives from temporary differences attributable to the following balance sheet items:	-	-
Trade debtors and other receivables	-	-
Trade creditors and other payables	-	-
Property, plant and equipment	-	-
Intangibles	-	-
Total temporary differences	-	-
Income tax @ 30% (2009: 33%)	-	-
A tax loss of \$16,209 (2009:Nil) is available to carry forward and offset against future liabilities, subject to the requirements of the Income Tax Act 2007 continuing to be met.		
<b>(iv) Reconciliation of current tax payable</b>		
Opening balance	17,236	-
Current year tax expense	-	17,236
Tax refunded/(paid)	(17,236)	-
Current tax payable/(receivable)	-	17,236

**11 Property, Plant And Equipment**

Movements for each class of property, plant and equipment are as follows:	Furniture and office equipment	Leasehold Improvements	Computers	Motor Vehicles	Total
Cost					
Balance at 1 July 2008	137,710	221,195	340,714	-	700,019
Additions	8,878	47,647	21,914	33,564	112,003

**FOR THE YEAR ENDED 30 JUNE 2010**

Disposals	-	(156,862)	(63,929)	(33,564)	(254,355)
Balance at 30 June 2009	146,588	111,980	298,699	-	557,267
Balance at 1 July 2009	146,588	111,980	298,699	-	557,267
Additions	12,669	33,097	30,267	-	76,033
Disposals	(4,804)	-	(185,255)	-	(190,059)
Balance at 30 June 2010	154,453	145,077	143,711	-	443,241
Accumulated depreciation and impairment losses					
Balance at 1 July 2008	104,483	212,486	324,401	-	641,370
Depreciation expense	23,445	12,538	15,817	4,475	56,275
Eliminate on disposal	-	(156,862)	(63,929)	(4,475)	(225,266)
Impairment losses	-	-	-	-	-
Balance at 30 June 2009	127,928	68,162	276,289	-	472,379
Balance at 1 July 2009	127,928	68,162	276,289	-	472,379
Depreciation expense	14,657	14,903	14,053	-	43,613
Eliminate on disposal	(4,753)	-	(185,255)	-	(190,008)
Impairment losses	-	-	-	-	-
Balance at 30 June 2010	137,832	83,065	105,087	-	325,984
Carrying amounts					
At 30 June 2009	18,660	43,818	22,410	-	84,887
At 30 June 2010	16,621	62,012	38,624	-	117,257

There are no restrictions over the title of the Trust's property, plant and equipment, nor are any pledged as security for liabilities.

**12 Intangible Assets**

Movements for each class of intangible asset are as follows:	Software	WellingtonNZ Website	Texture Website	Total
Cost				
Balance at 1 July 2008	51,212	414,648	76,635	542,495
Additions	6,504	17,131	-	23,635
Disposals	(7,403)	(158,801)	-	(166,204)
Balance at 30 June 2009	50,313	272,978	76,635	399,926
Balance at 1 July 2009	50,313	272,978	76,635	399,926
Additions	5,382	108,518	-	113,900
Disposals	-	-	-	-
Balance at 30 June 2010	55,695	381,496	76,635	513,826
Accumulated amortisation and impairment losses				
Balance at 1 July 2008	21,567	227,413	76,635	325,615
Amortisation expense	15,401	84,486	-	99,887
Disposals	(7,403)	(158,801)	-	(166,204)
Balance at 30 June 2009	29,565	153,098	76,635	259,298

## 12 Intangible Assets (continued)

	Software	WellingtonNZ Website	Texture Website	Total
Balance at 1 July 2009	29,565	153,098	76,635	259,298
Amortisation expense	15,459	105,470	-	120,929
Disposals	-	-	-	-
Balance at 30 June 2010	45,024	258,568	76,635	380,227
Carrying amounts				
At 30 June 2009	20,748	119,880	-	140,627
At 30 June 2010	10,671	122,928	-	133,598

There are no restrictions over the title of the Trust's intangible assets, nor are any intangible assets pledged as security for liabilities.

All software is externally acquired and not internally generated.

## 13 Financial Instruments

### (a) Carrying value of financial instruments

The carrying amount of all material balance sheet assets and liabilities are considered to be equivalent to their fair value instruments.

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

All financial assets held by the Trust are classified as "loans and receivables" and carried at cost less accumulated impairment losses.

All financial liabilities held are measured at amortised cost using the effective interest rate method.

The Trust has no off balance sheet financial or derivative financial instruments.

### (b) Risk management analysis

The Trust is exposed to various risks in relation to financial instruments. The main types of risk relevant to Trust operations are credit risk and liquidity risk. The Trust has a series of policies to manage the risk associated with financial instruments. Policies have been established which do not allow transactions that are speculative in nature to be entered into.

#### (i) Credit risk

Credit risk is the risk that a third party defaults on its obligation to the Trust, causing the Trust to incur losses. The Trust has no significant concentration of credit risk in relation to accounts receivable. The Trust does not expect the non-performance of any obligations at balance date. The carrying value of trade debtors, other receivables, cash and cash equivalents and short-term bank deposits represents the Trust's maximum exposure to credit risk at balance date.

The Trust at balance date has no trade debtors or other receivable balances past due, that have not been provided for (refer to note 5).

#### (ii) Liquidity risk

Liquidity risk represents the Trust's ability to meet its contractual obligations as they fall due. The Trust manages liquidity risk by managing cash flows and ensuring that adequate credit lines are in place to cover potential shortfalls.

The table below analyses the Trust's financial instruments into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

2010 Contractual cash flows of financial instruments held	Carrying amount	Contractual cash flows	Less than 1 year	1 - 2 years	2 - 5 years
Assets					
Cash and cash equivalents	367,826	367,826	367,826	-	-
Short term deposits	407,773	428,569	428,569	-	-
Trade debtors and other receivables	286,537	286,537	286,537	-	-
	1,062,136	1,082,932	1,082,932	-	-
Liabilities					
Trade creditors and other payables	533,304	533,304	533,304	-	-

**FOR THE YEAR ENDED 30 JUNE 2010**

Current tax payable	-	-	-	-	-
Operating leases		788,844	293,481	233,941	261,422
Capital commitments	-	-	-	-	-
	533,304	1,322,148	826,785	233,941	261,422

Net liquidity position	528,832	(239,216)	256,147	(233,941)	(261,422)
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2009 Contractual cash flows of financial instruments held	Carrying amount	Contractual cash flows	Less than 1 year	1 - 2 years	2 - 5 years
<b>Assets</b>					
Cash and cash equivalents	645,950	645,950	645,950	-	-
Short term deposits	386,413	405,734	405,734	-	-
Trade debtors and other receivables	215,400	215,400	215,400	-	-
	1,247,763	1,267,084	1,267,084	-	-
<b>Liabilities</b>					
Trade creditors and other payables	701,898	701,898	701,898	-	-
Current tax payable	17,236	17,236	17,236	-	-
Capital commitments	-	-	-	-	-
Operating leases	-	865,990	202,555	200,290	463,145
	719,134	1,585,124	921,689	200,290	463,145
Net liquidity position	528,629	(318,040)	345,395	(200,290)	(463,145)

**14 Related Party Transactions**

Related parties arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Trust.

**(a) Parent and ultimate controlling party**

The parent and ultimate controlling party of the Trust is the Wellington City Council.

**(b) Transactions with related parties**

Wellington City Council	2010 \$	2009 \$
Council Funding	5,440,000	4,940,000
Services provided by the Council	109,143	134,292
Rent paid for Council premises	100,371	102,121
Accounts payable to the Council	1,048	1,347
Accounts receivable from the Council	360	-

The Trust has identified no other related party transactions, other than transactions with key management personnel.

**(c) Key management personnel**

The Trust has a related party relationship with its Board Members and other key management personnel.

Key management personnel compensation	2010 \$	2009 \$
Salaries and other short-term employee benefits	308,000	278,000

Key management personnel includes the Chief Executive, Senior Management and Members of the Board (refer to note 16)

Total remuneration paid to key management personnel is made up of short-term employee benefits and no other post-employment benefits, termination benefits or long-term benefit arrangements have been expensed in the years reported.

### 15 Board Member Remuneration

The total value of remuneration paid or payable to each Board member during the year was:	2010 \$	2009 \$
G Coughlan	20,000	20,000
J Milford	13,000	13,000
K Wicksteed	13,000	13,000
R Pretty	13,000	13,000
J Coughlan	13,000	13,000
P Monk	13,000	13,000
M O'Donnell	13,000	13,000
Total Board member remuneration	98,000	98,000

### 16 Capital Management

The Trust's capital is its equity (Trust Funds), representing net assets of the Trust represented by Accumulated Funds. The Local Government Act 2002 requires the Trust to manage its revenues, expenses, assets, liabilities, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

The objective of managing the Trust's equity is to ensure the Trust effectively achieves its objectives and purpose in accordance with the Trust Deed, whilst remaining a going concern.

### 17 Operating Lease Commitments

The Trust leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months.

The future aggregate minimum lease payments payable under non-cancellable leases are as follows:	2010 \$	2009 \$
Payable not later than one year	293,481	202,555
Payable later than one, not later than two years	233,941	200,290
Payable later than two, not later than five years	261,422	463,145
Payable later than five years	-	-
Total	788,844	865,990

Minimum operating lease payments expensed in the period included premises rental of \$253,057 (2009: \$257,798).

### 18 Capital Commitments

The Trust has budgeted \$300,000 for refurbishment of the Wellington i-SITE Visitor Centre in the 2010/2011 financial year (2009: Nil).

### 19 Contingencies

The Trust has no contingent liabilities at balance date (2009: None).

### 20 Events After the Balance Date

There are no events after the balance that impact the financial position, performance, cash flows and note disclosures provided in these financial statements.

### 21 Explanation of Major Variances Against Budget

Explanation for significant variances from the Trust's budgeted figures in the 2009/2010 Statement of Intent are as follows:

- (a) Statement of Comprehensive Income  
Additional contributions from Wellington City Council \$500,000 and \$262,000 from partners towards the new Australia marketing campaign. Wellington i-Site Visitor Centre sales were \$197,000 above budget.

- (b) Statement of Changes in Equity  
The differences between budget and actual correlate to the explanation of variances in the Statement of Comprehensive Income as explained above.
- (c) Statement of Financial Position  
In addition to budgeted employee entitlements liabilities were not reduced by the amount anticipated hence the actual was greater than budgeted.
- (d) Statement of Cash Flows  
Increase in year end cash position is due to several projects completed in June 2010, payment for which is due July 2010, as reflected in Trade Creditors balance.

PARTNERSHIP WELLINGTON TRUST INC

## Statement of Service Performance 2009/10

**FOR THE YEAR ENDED 30 JUNE 2010**

### 1. Objectives of the Trust

The Trust Deed outlines:

The principal object of the Trust shall be to market and add value to Wellington and to achieve sustainable economic growth for the benefit of the public of Wellington.

In carrying out the principal object, the Trust shall also have the following additional objects:

- a) Maximise the city's share of regional consumer spending through strategic campaigns promoting the city throughout New Zealand and overseas as a destination for shopping, leisure, entertainment and events.
- b) Enhance the profile of city tourism and retail businesses; promote strategic alliances and private sector partnerships.
- c) Further enhance the recognition of Wellington and give support to the Wellington region as a key and desirable visitor destination.
- d) Actively facilitate the co-ordination of marketing initiatives appropriate to the objects of the Trust.
- e) Ensure marketing initiatives are focused on increasing the sustainability of Wellington's commercial sector.
- f) Recognise and promote community focused initiatives.
- g) Enter into funding agreements and other contracts that are necessary or desirable to achieve the objects of the Trust.
- h) Generally to do all acts, matters and things that the Trustees consider necessary or conducive to further or attain the principal and additional objects of the Trust set out above.

The Trust's objects shall be carried out in or to benefit people in Wellington. The Trustees may carry out activities outside Wellington to promote the Trust or the Trust assets, but only if they believe that such activities will be for the ultimate benefit of people in Wellington.

### 2. The Nature and Scope of the Activities to be Undertaken

#### Leadership

- Leading Wellington's tourism industry growth and development in an innovative and vibrant way. Developing and defining industry strategy is central to the leadership activity

#### Online Tourism Distribution

- Ensuring that Wellington has a high profile and highly effective online tourism presence with maximum ability to convert consumer interest into purchasing Wellington visitor experiences

#### i-SITE Visitor Centre

- Operating an i-SITE Visitor Centre

#### International Marketing

- Marketing Wellington as a visitor destination in target long haul markets, notably the UK, Europe, the USA and increasingly in Asia
- Ensuring better connectivity in long haul markets by working on the development of long haul air services

#### Convention Bureau

- Marketing Wellington as a leading conference and convention destination to the New Zealand and Australian markets

#### New Zealand Marketing

- Delivering targeted marketing programmes and campaigns to the New Zealand market

#### Downtown Marketing

- Delivering campaigns to help ensure downtown Wellington remains vibrant as a place to visit for locals and visitors

#### Australian Marketing

- Marketing Wellington at both consumer and trade levels in the Australian market
- Ensuring better connectivity with Australia by encouraging increased air capacity and new route development

### Event Marketing and Development

- Support event development and add value to the event programme with targeted marketing and promotions support
- Working closely with Wellington City Council on event development and jointly establishing and applying criteria to further develop the city's understanding of the economic, social and other benefits of events

### Communications

- Leveraging marketing activity and key city messages by way of an active communications plan

### Research

- Ensuring Wellington's tourism dataset and information base is industry leading and able to properly inform

marketing and product development decision-making both for the decision making process of the trust and as an information source for other agencies and private enterprise.

### Product Development

- Supporting the development of new tourism attractions and the development of new and existing tourism businesses and services

### Partnership/Relationships

- Maintaining a strong private/public sector funding approach to the Trust's work
- Maintaining strong relationships with relevant public and private sector interests, most notably Wellington City Council.

## 3. Key Performance Indicators

The world travel sector has been affected by the changing face of the global economy. Wellington has not been immune to this particularly as it has high exposure to the US and Western European markets. International visitors to Wellington decreased 2.87% to 542,043 in 2009/10 (YE March), compared to an increase of international visitor arrivals to New Zealand of 4.1% (YE March). International visitor spend in Wellington increased by 2.7% to \$1,270,736,603, compared to a national increase of 2.16%. (Sources: Ministry of Tourism International Visitor Survey and Statistics New Zealand International Visitor Arrivals).

### a. General KPIs

#### MEASURING PERFORMANCE

Measure	Frequency of Measure	Target 09/10	Result
Australia Sales and Marketing	Monthly	Increase Australian visitor arrivals at 2008/09 levels by 7%	There were 109,689 Australian visitor arrivals in the year to May, an 8.60% increase on the same period in 08/09. (Source: International Visitor Arrivals).
		Airline capacity maintained at least at 2008/09 levels and negotiations advanced to grow capacity further	Airline capacity decreased by 1% for the year to May 2010, compared with the same period in 08/09. (Source: Wellington International Airport) A new Sydney - Wellington service was introduced whilst an outbound service to the Gold Coast was cancelled.
Convention Bureau Sales and Marketing	Quarterly	5% increase in leads/referrals year on year	Leads/referrals increased to 414, a 4% increase compared with 08/09.
		Maintain Wellington's C&I market share	Wellington hosted 483,537 delegate days for the 9 months to March 2010. This is a new survey and no comparable data is available. (Source: Convention Activity Survey)
Downtown Marketing	Quarterly	Downtown weekend visitation within 10% of 2008/09 levels	Downtown Wellington weekend visitation for the year to June 2010 declined by 0.17% to 80,218 compared with 2008/2009. (Source: BNZ MarketView)
		Weekend car parking occupancy 5% above 2008/09 levels	Year on year comparison results are available for 6 of the 8 car parks. Of those, 4 achieved an increase in occupancy of 5% compared to 2008/09 levels during the year. (Source: Wilson Carparking)

		Weekend sales within 10% of 2008/09 levels	Weekend spending in downtown Wellington for the year to June 2010 declined by 1% compared with the same period in 08/09. (Source: BNZ MarketView)
		Maintain visitor spend in Downtown Wellington	Spend in downtown Wellington by visitors increased by 2.86% to \$52,270,148 in 2009/10 compared to the previous year. (Source: BNZ MarketView).
		Maintain local spend and visitation in Downtown Wellington	Downtown spending and visitation by locals in the sample for the year to June 2010 was down by 2.8% and 1.3%. (Source: BNZ MarketView)
International	Monthly	Maintain international visitor nights within -10% of 2008/09 levels Annual decline of not more than 15% on 2008/09 levels	International guest nights decreased by 1.3% to 687,234 in the year to May 2010 when compared to the same period the year before. (Source: Commercial Accommodation Monitor)
		Maintain Wellington's market share of international visitors to NZ	Wellington's market share of international visitors to NZ was 7.52% compared with 8.01% in 08/09. (Source: International Visitor Survey)
New Zealand and Event Marketing	Monthly	New Zealand visitor nights 2% above 2008/09 levels	Domestic guest nights to May 2010 were 1,315,251, a 3.62% increase on the same period the year before. (Source: Commercial Accommodation Monitor).
	Monthly	Weekend rooms sold in partner hotels 2% above 2008/09	Weekend rooms sold in our partner hotels was 187,623 or 2,497 above 08/09 - a 1.35% growth on last year (Source: PWT Hotel Monitor).
Online and IT	Monthly	20% growth in visitors to WellingtonNZ.com	Visits to WellingtonNZ.com increased by 27% to 1,369,726 compared with the previous year. (Source: Nielsen Netratings)
		Generate \$660k of bookings through WellingtonNZ.com (c 20% growth)	\$710,113 of sales was generated for Wellington tourism industry partners through WellingtonNZ.com in the year.
Product Development		Support investment groups in completing feasibility studies for product developments	Support was provided to a number of ventures, including the opening of ZEALANDIA: The Exhibition, Carter Observatory and the CitySights 'hop on hop off' bus.
i-SITE Visitor Centre	Quarterly	Maintain Revenue at 2008/9 levels	Trading revenue in the year (not including online sales) grew 2.2% to \$3,034,459 compared to 2008/09.
		Increase proportion of sales of Wellington product by 10% relative to 2008/9	Sales of Wellington product in the year increased by 12.0% to \$820,022, compared to 2008/09.
		Visitors to the i-SITE maintained at least 2008/09 levels	394,228 people visited the i-SITE in the year, compared to 382,677 in 08/09.

## b. Financial KPIs

The following financial indicators were monitored and approved by the Board.

- Interest income
- Net cost of Visitor Centre
- Net cost of joint venture marketing
- Total overhead expenses
- Cashflows

## 4. Trust Performance

Governance related performance targets and other measures by which the Trust's performance were judged in relation to the Trust's objectives:

- Contribute to the development of Wellington city's vision 'Creative Wellington – Innovation Capital
- Add value to Wellington
- Operate within budgeted funding levels
- Protect the asset base of the Trust
- Be a good equal opportunity employer
- Act lawfully in all matters
- Operate within the boundaries of our Trust Deed
- Develop and review strategic and business plans

Financial and operating measures were reported to Wellington City Council on a quarterly basis including the following:

- Statement of Financial Performance
- Statement of Financial Position
- Statement of Cashflows
- Statement of Movement in Trust Funds
- Forecast for Statement of Financial Performance
- Capital Expenditure
- Progress against operational KPIs as detailed in the Business Plan

The Board of Positively Wellington Tourism met 11 times in the financial year. The Board delegates the day-to-day operations of the Trust to the CEO and the management team who report monthly to the Board.

The Trustees completed a formal self-evaluation process through the Institute of Directors assessment model in the financial year.

The Board operated an Audit, Finance and Risk subcommittee, which met four times in the financial year. The Remuneration subcommittee met twice in the financial year.

## 5. Staff

As at year end 30 June 2010 there were 22 FTEs in the marketing office.

Staffing levels at the i-SITE will be approximately 8-10 FTEs, with seasonal adjustments to deal with peak demands and extended trading periods. As at year end 30 June 2010 there were 11 FTEs.

## 6. Any significant present or expected obligations or contingent liabilities to third parties

The Trust has no contingent liabilities as at 30 June 2010.

The Trust has a six year rental agreement for its office space in Grand Plimmer Tower which expires in October 2013. The annual rental is \$154,699+ GST with one right of renewal for three years at the Trust's discretion.

The Trust is currently operating under a monthly tenancy for its Visitor Centre space in the WCC CAB Building following the expiration of the lease in August 2009. A long term agreement is pending following a decision to stay at this location. The annual rental is \$100,370 + GST.

Partnership Wellington Trust has one three-year lease on a vehicle that expires in 2012. The annual cost of the lease is \$10,415 + GST.

The Trust also has a range of employment agreements with its employees, eg: part and full time, contract and casual.

The Trust has a policy for the ratio of total Trust Assets to Total Liabilities of 1.2:1.

Total assets at 30 June 2010 were \$1,372,527

Total liabilities at 30 June 2010 were \$881,087

Total assets to total liabilities at 30 June 2010 were 1.5:1.

Trust assets include cash in the bank, debtors and other receivables, stock, short term investments and fixed assets.

Trust liabilities include creditors and other payables, employee entitlements, income in advance and tax payable.

## 7. New Zealand equivalents to International Reporting Standards

The Trust adopted New Zealand equivalents to International Financial Reporting Standards (NZIFRS) at balance date 30 June 2007. This was in line with Council's timeframe.

The Board requires a minimum cash reserve of \$250,000 to be held by the Trust.

The Trust does not distribute surplus.

## 8. Compensation

The Trust received funding/compensation from the Wellington City Council of \$5,440,000 in the financial year ended 30 June 2010.

The base funding deed is for a period of three years and is extended annually for a further year.

## 9. Such other matters as are agreed by Council and the trustees

Nil

Signed 

Glensy Coughlan, Chair

