Absolutely Positively **Wellington** City Council
Me Heke Ki Pōneke

ORDINARY MEETING

OF

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

AGENDA

Time: **9:30 am**
Date: **Monday, 11 December 2017**
Venue: **Committee Room 2**
Ground Floor, Council Offices
101 Wakefield Street
Wellington

MEMBERSHIP

Mayor Lester
Councillor Lee
Councillor Marsh
Councillor Woolf (Chair)

Have your say!
You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 803-8334, emailing public.participation@wcc.govt.nz or writing to Democratic Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number and the issue you would like to talk about.

AREA OF FOCUS

The Council-Controlled Organisations Subcommittee is responsible for communicating the Council's priorities and strategic outcomes to CCOs and ensuring delivery by CCOs through the development of Statements of Intent and integration of CCO outcomes with the Council's Long-term Plan and Annual Plan funding processes and decisions. The Subcommittee is also responsible for monitoring the financial performance and delivery on strategic outcomes of the Council's CCOs.

Quorum: 3 members

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1 Meeting Conduct

1. 1 Apologies

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

1. 2 Conflict of Interest Declarations

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

1. 3 Confirmation of Minutes

The minutes of the meeting held on 24 May 2017 will be put to the Council Controlled Organisations Subcommittee for confirmation.

1. 4 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 3.23.3 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

1. 5 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows:

Matters Requiring Urgent Attention as Determined by Resolution of the Council Controlled Organisations Subcommittee.

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor Matters relating to the General Business of the Council Controlled Organisations Subcommittee.

No resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Council Controlled Organisations Subcommittee for further discussion.

2. General Business

REVIEW OF ANNUAL REPORTS FOR COUNCIL CONTROLLED ORGANISATIONS FOR THE YEAR ENDING 30 JUNE 2017

Purpose

1. This report provides the sub-committee with a review of the annual reports submitted by Council Controlled Organisations for consideration in accordance with the requirements of the Local Government Act 2002.

Recommendations

That the Council Controlled Organisations Subcommittee Sub-committee:

1. Receive the information.
2. Note any issues for the Chair to raise with the entities covered by this report.

Background

2. The sub-committee is tasked with monitoring the performance of the following entities:
    - Basin Reserve Trust
    - Karori Sanctuary Trust
    - Wellington Cable Car Limited
    - Wellington Museums Trust
    - Wellington Regional Economic Development Agency Limited
    - Wellington Regional Stadium Trust
    - Wellington Zoo Trust
3. Wellington Regional Economic Development Agency Ltd is jointly owned (80% / 20%) by the Wellington City Council and the Greater Wellington Regional Council respectively. In addition to the monitoring by this sub-committee, the stakeholders jointly monitor the company via the Wellington Regional Strategy Committee.
4. Wellington Water Limited is owned in equal (20%) shares with Greater Wellington Regional Council, Lower Hutt City Council, Porirua City Council and Upper Hutt City Council. The shareholders jointly monitor the company via the Wellington Water Committee.
5. Wellington International Airport Limited is 34% owned by the Council and majority owned by Infratil Limited, a publicly listed company. The reporting from Wellington International Airport Limited is considered by this sub-committee under the cover of a separate sub-committee report.

Discussion

6. Audited annual reports have been received from the following entities for consideration by the sub-committee and are attached as appendices:

   - Basin Reserve Trust
   - Karori Sanctuary Trust
   - Wellington Cable Car Limited
   - Wellington Museums Trust
   - Wellington Regional Economic Development Agency Limited
   - Wellington Regional Stadium Trust
   - Wellington Zoo Trust

7. The annual reports have been reviewed by officers to assess any risks or issues and where any significant issues were identified these have been discussed with the relevant entity.

8. Representatives of the entities covered in this report will attend the sub-committee meeting to present both the annual report and first quarter report for the entities, and answer any questions from the sub-committee. The first quarter reports (to 30 September) are presented under the cover of a separate sub-committee report.

9. BASIN RESERVE TRUST

EXECUTIVE SUMMARY

The Basin Reserve Trust enjoyed another strong year to 30 June 2017 despite the challenges presented by the November earthquake, the inclement summer weather and the ongoing redevelopment work at the Basin Reserve.

The Basin hosted two international cricket tests and the playing surface continued to receive very favourable reviews by New Zealand Cricket and the International Cricket Council. The Basin Reserve continues to be one of the most highly utilised first class cricket grounds in New Zealand and the New Zealand Herald once again rated the Basin Reserve as the best cricket ground in the country.

In February, the *Winery Tour Concert* was hosted and this concert met a favourable public response. During the year St Marks School have used the ground for football training and as a cross-country venue.

Junior ("Rippa") rugby was introduced to the Basin Reserve during the winter, replacing senior rugby. Junior rugby is more suited to the ground, requiring less ground remediation. Twelve teams play games on three junior fields marked out on the outfield of the ground, meaning approximately 120 participants are utilizing the facilities each weekend.

Rippa Rugby at The Basin Reserve

The external works to the RA Vance Stand deferred maintenance programme were completed during the year. Work on the internal refurbishment has almost finished and will be completed in mid-November, prior to the 2017/18 cricket season.

RA Vance stand exterior works

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE
11 DECEMBER 2017

Absolutely Positively Wellington City Council
Me Heke Ki Pōneke

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Variance (Actual minus Budget). ✔ *Favourable variance to budget* ✘ *Unfavourable variance to budget*

FINANCIAL PERFORMANCE 30 JUNE	Actual 2014	Actual 2015	Actual 2016	**Actual 2017**	Budget 2017	*Variance 2017*
Total Revenue	632,564	708,579	859,322	**988,626**	822,55	*166,076* ✔
Operating Expenses	613,296	714,681	778,988	**947,989**	726,625	*221,364* ✘
EBITDA	19,268	(6,102)	80,334	**40,637**	95,925	*55,288* ✘
Net Profit after tax and depn	(182,844)	(93,050)	(11,879)	**(68,661)**	8,925	*77,586* ✘
FINANCIAL POSITION						
Total Assets	840,562	805,047	901,135	**776,358**	908,432	*132,074* ✘
Total Liabilities	75,525	133,060	241,027	**184,911**	142,52	*42,391* ✘
Equity	765,037	671,987	660,108	**591,447**	765,912	*174,465* ✘
CASH FLOWS						
Total Net Cash Flows	27,952	(61,983)	61,162	**(81,620)**	11,150	*92,770* ✘
Opening Cash	82,314	110,266	48,283	**109,445**	65,192	
Closing Cash	110,266	48,283	109,445	**27,825**	76,342	

A review of the Trust's financial statements to 30 June 2017 highlights that both revenue and operating expenditure exceeded target due to a change in the model for hosting International Cricket matches. During the year the Trust leveraged the Council's investment in its upgrade of Basin Reserve assets by also increasing its investment in a range of improvements to the ground.

KPI DASHBOARD *(The table contains a selection of KPIs and is not a complete list)*

✔ *Achieved* ✘ *Not Achieved.*

30 JUNE		2013	2014	2015	2016	**2017**
Cricket events	Actual	20 ✔	22 ✔	13 ✔	34 ✔	**20** ✘
	Target	*15*	*12*	*10*	*11*	***25***
Other sports events	Actual	1 ✘	9 ✔	27 ✔	25 ✔	**33** ✔
	Target	*6*	*6*	*10*	*12*	***22***
Community events	Actual	1 ✘	2 ✔	18 ✔	18 ✔	**15** ✔
	Target	*2*	*2*	*2*	*4*	***12***
Function bookings	Actual	1 ✘	2 ✔	18 ✔	18 ✔	**8** ✘
	Target	*2*	*2*	*2*	*4*	***15***
Cricket days	Actual	32 ✘	41 ✔	28 ✔	49 ✔	**36** ✘
	Target	*34*	*32*	*26*	*27*	***38***
Other sports days	Actual	1 ✘	6 ✔	21 ✔	25 ✔	**9** ✘
	Target	*6*	*6*	*10*	*12*	***22***

KPI DASHBOARD *(The table contains a selection of KPIs and is not a complete list)*

Community event days	Actual	1 ✗	2 ✓	18 ✓	36 ✓	**14** ✓
	Target	*2*	*2*	*2*	*4*	***12***
Event days (incl. community event days)	Actual	34 ✗	49 ✓	67 ✓	110 ✓	59 ✗
	Target	*42*	*40*	*38*	*43*	*72*
Number of practice days	Actual	n/a	93 ✓	71 ✓	101 ✓	**147** ✓
	Target	*n/a*	*70*	*70*	*71*	***85***
Attendance at all events	Actual	32,878 ✗	30,664 ✓	22,506 ✗	49,778 ✓	**37,336** ✓
	Target	*34,800*	*28,000*	*29,800*	*27,300*	***31,000***
Event income	Actual			$127,750	$196,500	**$206,600** ✓
	Target			*n/a*	*$100,000*	***$149,000***
Operational grant per attendance	Actual			$16.00	$7.00	**$10.26** ✓
	Target			*n/a*	*$6.00*	***$12.27***

The Kaikoura earthquake caused the cancellation of one Plunket Shield four day cricket match and another Plunket Shield fixture was transferred to the Westpac Stadium as a trial for day-night cricket. Other sporting events were below target due to "Rippa" rugby commencing at the ground in 2017 while function bookings have also been adversely impacted by the ongoing works to the RA Vance Stand – however its refurbishment is likely to boost this usage in future years.

ISSUES & OUTLOOK

No issues to note.

The Basin Reserve will host a test match against the West Indies starting 1 December 2017 and will host two One Day Internationals against Pakistan on the 6th and 19th January – both are expected to draw capacity crowds.

The RA Vance stand project is tracking according to plan and the all-of-basin preliminary design, based on the Master Plan, is expected to be completed before year end 2017.

A refresh of the northern entrance and the refurbishment of the scoreboard and the digital screen structure are expected to be completed in time for the West Indies test on 1 December 2017.

Beers at the Basin is a beer, wine and food event planned for the Basin Reserve in December 2017.

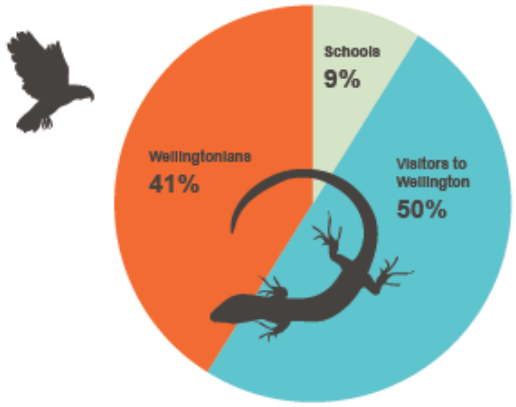
10. KARORI SANCTUARY TRUST

ACTIVITY SUMMARY

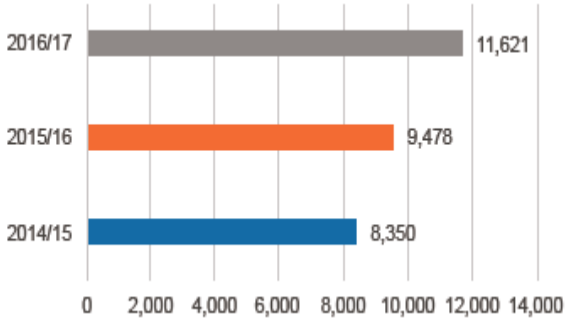
The Karori Sanctuary Trust (or ZEALANDIA) had another successful year and welcomed over 125,000 visitors to the valley despite the joint challenges of earthquakes, floods, and unsettled weather. Wellington's popularity as an international tourist destination saw 89 cruise ships visit the city and an estimated 20,000 British & Irish Lions rugby fans visited Wellington in the last week of June. While total visitation numbers were similar to last year, ZEALANDIA enjoyed general admission entry up 7% from the prior year. Also, over 12,000 people experienced ZEALANDIA through a guided tour, with 1,144 visitors joining the new ZEALANDIA By Day tour.

The images below (copied from the annual report) provide a visual breakdown of who visits ZEALANDIA and how the volunteers support ZEALANDIA.

Where visitors come from

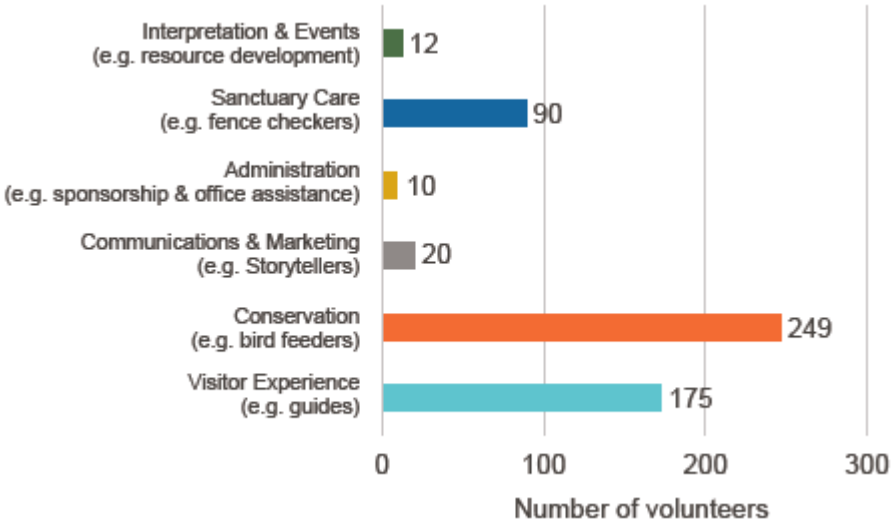


Education visits



At the end of June 2017 ZEALANDIA had 556 active volunteers, including 490 fully trained volunteers and 66 in training. The Trust is constantly exploring new opportunities for volunteering at ZEALANDIA and currently has a waiting list of 133 applicants ready to move into new roles.

Volunteers and what they do



Membership has grown from 9,680 in June 2015 to 10,944 in June 2017 and in 2016/17, ZEALANDIA hosted nearly over 11,000 students including 1,200 student visitors from decile 1-3 schools. The Hutt Mana Charitable Trust grant provided transport funding that allowed 604 students to visit ZEALANDIA through the Hutt Mana Bush Explorers programme.

ZEALANDIA enjoyed conservation gains throughout the year with good breeding success for all bird species. During the year, 54 tīeke were banded, and the 800th kākā was banded in December. Unfortunately, the planned rifleman translocation was deferred following the discovery of a significantly lower source population than was expected.

The curating and conservation teams at the Wellington Botanical Gardens transplanted 50 seedlings of the Kohurangi (*Kirk's daisy, Brachyglottis kirkii*), as part of their conservation programme for this species.

ZEALANDIA'S second generation strategy: ***Living with Nature - Tiaki Taiao, Tiaki Tangata*** was launched during the year. The strategy recognises that the impact of ZEALANDIA comes not only from restoration within the sanctuary fence, but also from beyond the fence and the restoration of nature-rich urban spaces. One major endeavour which began this year is the Sanctuary to Sea project, which involves the restoration of the water catchment from ZEALANDIA's dams down the length of the Kaiwharawhara stream to the harbour: This is a complex, technical, multi-stakeholder, multi-year project – the scale of which is shown in the Trust's annual report.

The Trust became a Council Controlled Organisation (CCO) in October 2016 following changes to the Trust Deed which accompanied the finalisation of the Visitors Centre sale and ownership transfer to Wellington City Council (WCC), and the full repayment of the loan to Council.

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** Variance (Actual minus Budget).* ✔ *Favourable variance to budget* ✘ *Unfavourable variance to budget*

FINANCIAL PERFORMANCE ($000)	Actual	Actual	Actual	**Actual**	Budget	*Variance**
30 JUNE	2014	2015	2016	**2017**	2017	*2017*
Total Revenue	3,444	3,374	4,223	**4,465**	3,782	683 ✔
Op. Exp. before Depn. & Int.	3,379	3,300	3,550	**3,814**	3,470	344 ✘
Earnings before Depn & Int.	65	74	673	**651**	312	339 ✔
Net Surplus (Loss)	(1,373)	(293)	108	**(219)**	957	(1,176) ✘
FINANCIAL POSITION						
Total Assets	15,588	15,369	15,322	**4,667**	13,739	9,071 ✘
Total Liabilities	11,331	11,405	11,251	**815**	11,222	10,407 ✔
Equity	4,257	3,964	4,072	**3,853**	2,517	1,336 ✔
CASH FLOWS						
Total Net Cash Flows	(246)	150	(148)	**(11)**	12	23 ✘
Opening Cash	735	489	389	**241**	609	
Closing Cash	489	389^	241	**230**	621	

^ This figure is restated to account for a $250k adjustment made by the Trust during the year.

ZEALANDIA recorded its highest ever paid admissions of $1,323,196, an increase of 15% on last year and raised over $158,000 from member and public donations. In 2016/17, the Council's operating grant contributed 20% of total revenue.

Average revenue per visitor has increased from $26.03 in 2015/16 to $28.01 in 2016/17 (against a

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target of $25.96) and the cost per visitor has decreased from $11.34 in 2015/16 to $11.23 in 2016/17 (against a target of $16.91).

The Trust has now achieved a sustainable financial position, with a working capital buffer of $781,639 at 30 June 2017, which is an increase from last year's position of $333,375 and is on-track to be debt free once the final repayment of the Wellington Community Trust loan for the ZEALANDIA fence is made in 2019. At year end, the Trust's balance sheet recorded the sale of the Visitor Centre and its loan repayment to Council.

KPI DASHBOARD *(The tables contain a selection of KPIs and not a complete list)*

✔ *Achieved* ✘ *Not Achieved.*

30 JUNE		2014	2015	2016	**2017**
Full cost to Council*	Actual	n/a	$1.46m	$1.43m	**$1.40m**
	$/visit	n/a	$15.01	$11.34	**$11.23**
Council grant subsidy^	Actual	$875k	$875k	$875k	**$835k**
	% revenue	25%	26%	21%	20%
Council grant ($/visit)	Actual	$8.82 ✔	$8.97 ✔	$6.95 ✔	**$6.99** ✔
	Target	*$9.79*	*$9.57*	*$9.12*	*$9.35*
Average revenue per visit	Actual	$25.64 ✘	$25.37 ✘	$26.03 ✔	**$28.01** ✔
	Target	*$28.40*	*$27.46*	*$25.90*	*$25.96*
Non-Council donations/funding	Actual	n/a	$292k ✔	$402k ✔	**$419k** ✔
	Target	*n/a*	*$150,000*	*$250,000*	*$250k*
		2014	2015	2016	**2017**
Visitors	Actual	99,213 ✔	97,543 ✔	125,849 ✔	**125,179** ✔
	Target	*89,366*	*91,400*	*95,947*	*93,600*
Individual members	Actual	10,919 ✔	9,680 ✘	10,572 ✔	**10,944** ✔
	Target		*10,000*	*10,200*	*10,400*
Students & education visits	Actual	8,048 ✘	6,890 ✘	9,478 ✔	**11,621** ✔
	Target	*8,445*	*8,350*	*8,378*	*8,500*
Satisfaction rating	Actual	93% ✔	91% ✘	99% ✔	**95%** ✔
	Target	*90%*	*92%*	*92%*	*92%*
Volunteer numbers	Actual	450 ✔	>400 ✔	417 ✔	**556** ✔
	Target	*>400*	*>400*	*>400*	*>400*

^ *This is not a KPI but provided for reference.*

* *Council operating grant plus property related costs. This measure is required by Council and includes property costs which the Trust does not control.*

KPI DASHBOARD *(The tables contain a selection of KPIs and not a complete list)*

Conservation	**Actual**	*Target*
Restore missing species to the wild in accordance with the Restoration Strategy		
Number of new animal species transferred	**0^**	*1*
No. animal species being actively managed (supplementary fed, nestbox management, banding etc.) assuming 1 new species transferred/annum	**10**	*10*
No. animal species being monitored (assuming 1 new species transferred/annum)	**19**	*10*
Percentage of transferred animal species (17) regarded as self-sustaining (assuming ongoing management)	**76%**	*68%*
Improve the population status of nationally threatened species present		
Number of threatened species present (excluding species held for advocacy or temporarily e.g. takehe, kakapo)	**4**	*4*
Manage species held for captive breeding purposes to ensure they remain healthy and breed successfully		
No. species held for captive breeding	**2**	*2*
Monitor animal pest status, control mice & successfully respond to any incursions		
Mice maintained at levels below or similar to previous years (abundance per 100 trap nights)	**3.4**	*<10*
Percentage incursions successfully eradicated	**n/a**	*100*
Monitor plant pest status and reduce distribution of environmental weeds (currently 123) within and near the fence perimeter		
No. species actively controlled or surveyed	**73**	*44*
No. species where control has achieved a decline to low levels of infestation	**120**	*52*

^Tītipounamu translocation postponed two weeks prior to completion date due to new data indicating a significant decline in the source population.

ISSUES & OUTLOOK

Staff accommodation is at capacity and the Trust is planning for short to medium term options to ease matters while longer term capital investment programmes are planned and funded. The same is true for ZEALANDIA's research functions and accommodation infrastructure.

Council has received the Trust's planning document for its current and future accommodation needs and this will be considered as part of the Council's Long Term Planning processes.

11. WELLINGTON CABLE CAR LIMITED

EXECUTIVE SUMMARY

The 2016/17 year was dominated by the successful completion of the Cable Car electric drive project and preparations for Trolley Bus electrical network decommissioning.

During the year the Cable Car carried 970,366 passengers. This figure was a slight reduction on the prior year passenger figures due to the electric drive replacement project which had a negative impact of between 34,000 to 50,000 trips. The November 2016 earthquake had an unexpected negative impact of 15,000 to 20,000 trips and there was a commensurate reduction in passenger revenue compared with 2015-16. On the positive side, student travellers increased during the year and the outlook for the 2017/18 financial year is positive. The company expects passengers will exceed 1 million again this year and generate increase fare revenue.

During the year the company completed the Cable Car electric drive replacement and control systems upgrade project. This was a significant project which completely replaced the electric and mechanical drive systems. At the same time, the Company also completed repairs and maintenance on the passenger vehicles which has enabled up to a further 10 years' service life before a full replacement is required. The total cost of these works was approximately $4.0 million of which Council provided $2.5 million.

The overhead network division was busy during the year with planning for the decommissioning of the overhead trolley bus network which began fully in November 2017 upon cessation of trolley bus services in Wellington and is expected to be completed by December 2018.

The company continues to maintain strong cash reserves, which will be required to fund future capital works projects.

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Variance (Actual minus Budget). ✔ *Favourable variance to budget* ✘ *Unfavourable variance to budget*

FINANCIAL PERFORMANCE ($000)	Actual	Actual	Actual	**Actual**	Budget	*Variance*
30 JUNE	2014	2015	2016	**2017**	2017	*2017*
Total Revenue	7,979	10,077	8,984	**7,257**	7,160	*97* ✔
Operating Expenses	7,653	7,627	9,054	**6,724**	6,842	*118* ✔
Operating Surplus/(Deficit)	327	2,449	(70)	**533**	318	*215* ✔
Net Surplus/(Deficit)^	(0)	1,776	(49)	**375**	223	*152* ✔
FINANCIAL POSITION						
Total Assets	9,811	12,918	11,878	**12,183**	10,430	*1,753* ✔
Total Liabilities	2,189	3,519	2,528	**2,458**	2,255	*203* ✔
Equity	7,623	9,399	9,350	**9,725**	8,175	*1,550* ✔
CASH FLOWS						*0*
Total Net Cash Flows	(890)	626	722	**448**	1,152	*(704)* ✘
Opening Cash	1,348	458	1,084	**1,806**	1,222	
Closing Cash	458	1,084	1,806	**2,254**	2,374	

^ *after tax and subvention payments*

The company received grant funding of $3.6 million from Greater Wellington Regional Council for trolley bus operations, maintenance and capital works. This figure is matched with the expenditure incurred by the company in maintaining the overhead network. The 2017/18 year will see a

SUMMARY FINANCIALS

significant increase in both the expenditure required to decommission the network and the Greater Wellington Regional Council grant income to fund the decommissioning works.

The net surplus for the year of $533k included $462k of the Council's funding for the electric drive project. Excluding the grant funding, the company's surplus was $71k.

KPI DASHBOARD *(The table contains a selection of KPIs and is not a complete list)*

✔ *Achieved* ✘ *Not Achieved. The tables contain a selection of KPIs and not a complete list.*

30 JUNE		2013	2014	2015	2016	2017
Total Passengers	Actual	1,060,458 ✘	957,483 ✘	976,416 ✘	1,047,000 ✔	970,336 ✘
	Target	*1,092,700*	*1,084,400*	*1,005,847*	*1,010,905*	*997,511*
Fare Income^ ($000)	Actual	2,172	2,178	2,399	2,731	2,481
	Target	*2,223*	*2,355*	*n/a*	*n/a*	*2,626*

^ *This is not a KPI*

As noted above, passengers and revenue were slightly below target for the year due mainly to the electric drive replacement project lasting a month longer than planned and also the impact of the November 2016 earthquake on the local tourism market (for a short period). Without the earthquake and the project overrun the company would have exceeded its budgets in both passenger trips and revenue.

ISSUES & OUTLOOK

The 2017/18 year will be a busy year for the company with two key projects.

- The decommissioning of the overhead network which commenced in November 2017 and is budgeted to cost of $6.8m. This is funded by the Greater Wellington Regional Council.
- Planning to fund the replacement of the cable car rolling stock within 10 years. Plans for funding this capital expenditure are formative and may require Council support.

12. WELLINGTON MUSEUMS TRUST

ACTIVITY SUMMARY

The Wellington Museums Trust (now trading as Experience Wellington) recorded another strong year hosting a total of 780,414 visitors to its various attractions, exceeding its target by 121,414 (18%). The Trust welcomed 83,365 students, boosted by the biennial Capital E National Arts Festival and also coordinated visits to Wellington for 2,763 students and teachers from lower decile schools.

The November 2016 Kaikoura earthquakes had the potential to delay the opening of key exhibitions; however the commitment of the Experience Wellington team and with the support of Council, City Gallery's *Cindy Sherman* exhibition opened on time on 19 November and the new permanent exhibition at Wellington Museum *Ngā Heke* opened a week later, also on time.

The Trust raised $4.8 million or 40.7% of the revenue required to deliver its visitor experiences. This is $1.2 million more than in 2015-16 because of the impact of the Cindy Sherman exhibition, the 2017 Capital E National Arts Festival and an increase in trading revenue.

The Cindy Sherman exhibition hosted at **City Gallery Wellington** is estimated to have contributed $1.4 million to the Wellington economy. The City Growth Fund supported this exhibition and EY, Massey University and the City Gallery Wellington Foundation also partnered in the presentation of Cindy Sherman.

Experience Wellington was rewarded with considerable national media attention and new partnerships, while deepening relationships with existing ones. The exhibition was accompanied by an active public programme of events including a series of panel discussions on contemporary feminism produced in partnership with RNZ National, which were later broadcast.

Colin McCahon: On Going Out with the Tide was the first significant exhibition of McCahon's work in 15 years bringing together a body of work that has never been shown together and which examines the Māori content in his work.

Ngā Heke, showing different perspectives of Wellington's history, and *Flux*, a new co-operative community space for, by and with young people opened at **Wellington Museum**. *Ngā Heke* opened in November 2016 at Wellington Museum and includes stories of Māori migration, enhanced through the art and writing of contemporary Māori artists and writers, and a selection of objects such as the Evergreen Coffee House sign to illustrate different perspectives of the social and cultural history of Wellington city. *Flux*, is a new dynamic space aimed at 18 – 30 year olds which is open for the community to share their stories through art, photography, performance and more.

Capital E's 8th biennial National Arts Festival included the winning films of the 2016 Roxy5 Short Film Competition and introduced Wellingtonians to its version of a Festival fun zone in the form of *Odd Lands*. The Capital E National Theatre for Children's *Hinepau* directed by Jamie MacCaskill toured to 14 centres nationally and delighted 5,300 children. *Hinepau* explores themes of kaitiakitangi and this production has now been translated into Te reo Māori for a tour to kura and marae through our partnership with Taki Rua. The 8th biennial Capital E National Arts Festival attracted 47,783 visits including 167 school bookings.

Space Place, with the help of the MetService, and with funding support from the Unlocking Curious Minds Fund, worked with a group of Year 10 students to launch a high-altitude balloon into near space. Other highlights included the Infinity Foundation's support for students from low decile schools participating in a robotic building programme funded by Pub Charity and a partnership with Orchestra Wellington to provide the visual effects for its gala finale concert in December 2016, which featured Gustov Holst's *The Planets*.

SUMMARY FINANCIALS

Variance (Actual minus Budget). ✓ *Favourable variance to budget* ✗ *Unfavourable variance to budget*

FINANCIAL PERFORMANCE ($000)	Actual	Actual	Actual	**Actual**	Budget	*Variance*
30 JUNE	2014	2015	2016	**2017**	2017	*2017*
Total Revenue	11,340	12,832	12,162	**13,653**	12,730	*923* ✓
Op. Exp. before Depreciation	10,729	12,025	11,432	**13,329**	12,443	*886* ✗
Depreciation	603*	511	467	**548**	436	*112* ✓
Net Surplus	8	296	262[#]	**(224)**	(149)	*75* ✗
FINANCIAL POSITION						*0*
Total Assets	6,035	8,300	7,173	**6,092**	5,288	*804* ✓
Total Liabilities	2,043	4,011	2,435	**1,578**	1,300	*278* ✗
Equity	3,992	4,288	4,738	**4,514**	3,987	*527* ✓
CASH FLOWS						*0*
Total Net Cash Flows	1,027	2,014	(1,344)	**(843)**	68	*911* ✗
Opening Cash	25	1,053	3,066	**1,722**	837	
Closing Cash	1,053	3,066	1,722	**880**	905	

**Depreciation for building fittings for the year included a $230k write-off of assets not in use at the beginning of the year.*

[#]Due to a change in accounting policy requiring the inclusion of grants totalling $227,500 for projects which have not yet taken place. Previously these grants were held in Revenue in Advance until the purpose of the grant was fulfilled and the associated expenditure incurred.

In 2016-17 the Trust reported a deficit of $223k compared to a reported surplus in 2015-16 of $262k. Space Place and Hannah Playhouse recorded deficits for the year of $158k and $61k respectively. However, these do not impact the Trust's financial position as they are underwritten by Council. The results also reflect the impact of changes in reporting standards which meant that in 2015-16 the Trust recognised grants intended to fund activity that would take place in 2016-17 or future financial periods. A normalised year on year comparison would have seen a deficit of $98k in 2016-17 compared to a surplus of $35k in 2015-16 – in other words a much smaller variance between each year.

Experience Wellington raised 40.7% of its revenue compared to 36.6% of revenue in 2015-16. The Trust's main non-Council sources of revenue continue to be from trading $2.5 million ($2.0 million in 2015-16); contracts (Creative New Zealand and Ministry of Education) $0.87million ($0.82 million in 2015-16); and fundraising which includes grants from community trusts, donations and personal giving, and cash sponsorships $0.93 million ($0.47 million 2015-16).

Total expenses were $13.9 million compared to $12.4 million in 2015-16. The difference in both revenue and expenses, between this year and 2015-16 is the impact of the biennial Capital E National Arts Festival which was presented in March 2017 and the Cindy Sherman Exhibition.

KPI DASHBOARD *(The table contains a selection of KPIs and is not a complete list)*

✓ *Achieved* ✗ *Not Achieved.*

30 JUNE		2013	2014	2015	2016	**2017**
Full costs to Council*	Total	n/a	n/a	$8.56m	$9.20m	**$9.10m**
	$/visit	n/a	n/a	$12.42	$13.37	**$11.67**
Council grant subsidy^	Actual	$6.45m	$6.23m	$6.52m	$6.83m	**$7.04**
	% revenue	65%	65%	59%	63%	**59%**
Council grant ($/visit)	Actual	$12.46 ✓	$13.30 ✓	$9.36 ✓	$9.85 ✓	**$8.89** ✓
	Target	*$13.04*	*$14.25*	*$14.10*	*$11.09*	***$10.45***
Average spend ($/visit)	Actual	$2.95 ✗	$2.66 ✗	$2.83 ✗	$2.51 ✗	**$3.07** ✗
	Target	*$3.18*	*$2.99*	*$3.11*	*$2.61*	***$3.52***
Non-council revenue	Actual	$3.48m	$2.95m	$3.79m	$3.05m	**$4.85m**
	Target	*$3.13m*	*$2.79m*	*$3.28m*	*$2.99m*	***$4.14m***
30 JUNE		2013	2014	2015	2016	**2017**
Total Visits	Actual	649,021 ✓	601,743 ✓	689,414 ✓	688,169 ✓	**780,414** ✓
	Target	*620,000*	*562,073*	*583,123*	*600,000*	***659,000***
City Gallery	Actual	161,681 ✓	150,289 ✓	169,943 ✓	178,228 ✓	**180,616** ✓
	Target	*143,000*	*143,000*	*140,000*	*150,000*	***150,000***
Wellington Museum	Actual	98,605 ✓	112,536 ✓	124,955 ✓	133,470 ✓	**138,956** ✓
	Target	*93,800*	*94,000*	*90,000*	*120,000*	***134,000***
Capital E	Actual	100,329 ✗	59,265 ✓	111,273 ✓	79,120 ✓	**161,869** ✓
	Target	*102,000*	*52,000*	*80,000*	*62,300*	***105,000***
Cable Car Museum	Actual	235,866 ✓	229,960 ✓	237,099 ✓	241,638 ✓	**242,250** ✓
	Target	*227,000*	*220,998*	*220,998*	*221,000*	***220,000***
Space Place	Actual	48,820 ✗	47,318 ✗	42,633 ✗	52,838 ✓	**54,109** ✓
	Target	*50,000*	*50,000*	*50,000*	*44,500*	***46,800***
Nairn St. Cottage	Actual	1,825 ✗	2,375 ✓	3,511 ✓	2,875 ✓	**2,614** ✗
	Target	*2,100*	*2,075*	*2,125*	*2,200*	***3,200***

^ This is not a KPI but provided for reference. Includes Council's underwrite for Space Place & Hannah Playhouse.

** Council operating grant plus property related costs. This measure is required by Council and includes property costs which the Trust does not control.*

Despite the challenges of the November 2016 earthquake and the poor summer weather all of the institutions apart from Nairn St Cottage recorded strong visitation compared to plan and to the prior year. Capital E exceeded its visitation target by nearly 57,000 visits which is a result of its reach into the community and its commitment to trying new things including the three interactive installations in the LUX Playground Precinct which resulted in over 35,000 visits over the ten nights of the 2017 LUX Festival. Visitation also includes non-Capital E activity at Hannah Playhouse which in 2015-16 was 14,736 attendees and in 2016-17 was 19,166 attendees.

ISSUES & OUTLOOK
No issues to note. The front entrance of the City Gallery will be upgraded during Q2 and into Q3.

13. WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED

EXECUTIVE SUMMARY

Destination Marketing

WREDA had a successful year marketing the Wellington region as a visitor destination particularly for Australian visitors. The Wellington tourism sector experienced highs and lows over the last financial year, from the impact of the November earthquake, to a region pumping with international visitors by the British & Irish Lions.

Highlights for the year included;

- Having secured the British & Irish Lions fixtures, delivered a stellar week of rugby.
- Australia remains our most important visitor market, Wellington attracts around 250,000 Australian visitors a year and 30% of the region's international spend. The increase in the 2016/17 spend was 8.5% up $242m from the previous year.
- Positioning Wellington as an easy break away, WREDA created the *Find a World (3 hours) away* campaign.
- Seasonal & event based campaign support for domestic visitation remains a core activity, domestic visitors account for around 67% of Wellington's visitor spend.
- Building on the LookSee Wellington success and capitalising on Deutsche Bank's listing as the world's most liveable city, WREDA created a new domestic talent attraction campaign named *Why Wellington? It's personal.*
- 5 domestic marking campaigns with a reach of nearly 13.8m, including partnership campaigns.
- 173 international media hosted, 1,716 stories in the Australian Media including pan-economy stories about our collaborative business environment, enhancing local companies exposure.
- 498 travel trade sellers were hosted in Wellington and training was provided to over 2,000 around the world.
- 4.3m visits to our website, an increase of 41%, thanks in part to the huge volume of traffic derived from the LookSee publicity.

Business Growth and Innovation

The highlights for the year (including Creative HQ) were;

- Working with nearly 500 client businesses, providing access to mentorship programmes, capability development and R&D funding – growing local businesses.
- $2.7 m of Regional Business Program funding accessed for local businesses.
- WREDA assisted students into work through its partnership with the Summer of Tech internship programme. Retention rates from intern to full-time employment are close to 80%.
- Highly successful LookSee Wellington campaign – 1.6m website hits, 48,700 applications, 250+ job interviews.
- Concentrix, which WREDA attracted to Wellington has created over 200 jobs in its support centre, providing support for a leading global technology client.
- The Wellington International Student Growth Programme resulted in a 10% growth in international students in Wellington in 2016.
- Creative HQ helped launch 34 new companies, the ventures in Creative HQ portfolio grew by $5.5m and are now collectively valued at $69.7m. First major trade sale of a Lighting Lab company with Publons being acquired by Clarivate Analytics

Events and Partnerships

- A 21:1 return on investment across major events portfolio, with $88.6m estimated economic return across a wide variety of events

- 16 major events supported from international cricket, the British & Irish Lions, World of WearableArt, Stadium concerts through to Homegrown and Beervana.
- Successful major event bids for FIFA World Cup Qualifier and International Rugby Tests for 2018 and 2019.
- Increased NZ market share by 6% points for business events hosted in Wellington, this represents 22% of NZ's multi-day conferences.
- Successful bids for future business events worth $25m to the economy.
- Winning conference bids include Australia & NZ Society of Anaesthetists 2020 and ILGA (International Lesbian and Gay Assn) World Conference 2020.
- DHL NZ Lions Series – 26,000 visitors, 1,200 campervans, 1,000 extra temp jobs, $30m estimated economic impact.

Venues Wellington

- 630,000 locals and visitors welcomed to performances and business events in our civic venues.
- All venues were up and running within 2 days of Kaikoura earthquake.
- 338 Performances in 365 days, $52.2m out of region visitor spend, 19,840 out of town conference delegates.
- Multiple sold out performances including Joseph and the Technicolour Dreamcoat, Don Henley, P J Harvey, Bill Bailey, Nick Cave, Sol3Mio, Twenty One Pilots and Ronan Keating.

SUMMARY FINANCIALS

Variance (Actual minus Budget). ✓ *Favourable variance to budget* ✗ *Unfavourable variance to budget*

FINANCIAL PERFORMANCE ($000)	Actual	Actual	**Actual**	Budget	*Variance*
30 JUNE	2015^	2016	**2017**	2017	*2017*
Total Revenue	15,880	24,542	**31,781**	27,833	*3,947* ✓
Total Expenses	15,981	24,556	**30,731**	27,858	*2,873* ✗
Net Surplus before tax	(101)	(14)	**1,050**	(24)	*1,074* ✓
FINANCIAL POSITION					
Total Assets	4,735	5,072	**6,096**	3,902	*2,194* ✓
Total Liabilities	3,205	3,557	**3,682**	2,383	*1,299* ✗
Equity	1,530	1,515	**2,414**	1,519	*895* ✓
CASH FLOWS					
Net Cash Flow	1,486	307	**(252)**	(260)	*8* ✓
Opening Cash	165	1,651	**1,958**	2,100	
Closing Cash On Hand	1,651	1,958	**1,707**	1,840	

^ 6 month trading period.

- Revenue and expenditure were up on budget due to increased partner revenue received for specific projects within WREDA, including marketing of Civic venues and programmes of work sold by Creative HQ.
- The surplus was in part created by funds being received in 2016/17 which will be spent early in 2017/18 as well as a surplus generated from Creative HQs activities.

KPI DASHBOARD *(The tables contain a selection of KPIs and not a complete list)*

✔ *Achieved* ✘ *Not Achieved.*

30 JUNE		2016	**2017**
Maintain Wellington's share of the convention market (1)	Actual	16% ✔	**22%** ✔
	Target	*16%*	***16%***
Venues utilisation (2)	Actual	56.3% ✔	**54.2%** ✘
	Target	*56.0%*	***65%***
International Student Enrolments (3)	Actual	7,433	**8,179** ✘
	Target		***8,500***
Total revenue from screen industry (4)	Actual	$728m	
	Target		***$650m***
Net permanent and long term arrivals	Actual	3,167	**3,787** ✔
	Target		***3,500***
Total commercial guest nights	Actual	3.05m	**3.11m** ✘
	Target		***3.15m***
Australian visitor spend	Actual	$223m	**$243m** ✔
	Target		***$195m***
Lightning Lab participant investment raised (5)	Actual	$3.8m ✔	**$2.45m** ✘
	Target	*$3.0m*	***$3.5m***
ROI via out of Wellington spend	Actual	*n/a*	**21:1** ✔
	Target	*n/a*	***20:1***
Total event attendance	Actual	*n/a*	**657,700** ✔
	Target	*n/a*	***600,000***

Sources:

(1) MBIE Convention activity survey
(2) Internal WREDA reporting
(3) Education New Zealand
(4) Data not available until April 2018
(5) Does not include R(9) GovTech Accelerator which occurred after balance date

Comments

- International student enrolments are released annually, therefore actual data is from last year, however student visas are up indicating a rise in student numbers.
- WREDA is reviewing its Venue's operations to identify ways of increasing venues utilisation and making venues more accessible to a wider range of community groups.
- The commercial guest nights were below target partly due to the influence of the November earthquake, however total nights were still up 2% on the previous year
- Investment raised by the Lighting Lab while below target does not include the investment resulting from the R9 showcase which occurred in June 2017.

KPI DASHBOARD *(The tables contain a selection of KPIs and not a complete list)*

14. WELLINGTON REGIONAL STADIUM TRUST

ACTIVITY SUMMARY

During the year ended 30 June 2017 the Stadium hosted a total of 62 major event days for the year, plus a number of community event days. Over 480,000 fans attended events during the 12 months, with the cumulative attendance since opening now at 9.3 million.

Some highlights of the year:

- Hosting the Super Rugby final for the second year in a row
- The Hurricanes winning their first ever Super Rugby title
- Concerts featuring Guns N' Roses and Keith Urban & Carrie Underwood
- A sell-out test match between the All Blacks and Wallabies
- Welcoming back the All Whites to Westpac Stadium
- The return of the British & Irish Lions with two full houses in the space of five days

Rugby: The financial year began with three Super Rugby finals with the Hurricanes beating the Sharks, the Chiefs and the Lions on their way to winning their first ever Super Rugby title. In terms of international rugby, the Stadium also hosted an All Blacks versus Australia test match in front of a full house of 35,215 fans and the Hurricanes versus the British & Irish Lions 31-31 draw in front of a capacity crowd of 37,121.

Despite changes introduced to the format of the Wellington Sevens tournament, the Trust supported a joint decision by Wellington City Council and New Zealand Rugby to end the hosting of the Sevens tournament in Wellington.

Football: The Wellington Phoenix played 10 home games at the Stadium but finished a disappointing seventh on the A league table. The All Whites played Fiji in front of 8,332 fans in a World Cup qualifying match.

Cricket: The Stadium hosted one Blackcaps game in the 2016/17 summer when the Blackcaps played South Africa in front of a crowd of 16,145.

In March the Stadium hosted a Plunket Shield match between Wellington and Otago played under lights. The pink ball trials at venues across New Zealand are precursors for a day-night test match between England and the Blackcaps starting on 22 March at Eden Park.

Concerts: Two concerts were hosted during the year, with Keith Urban & Carrie Underwood drawing a crowd of 9,397 and Guns n Roses pulling 31,634 fans to the Stadium despite heavy rain and wind making the event very challenging.

Exhibitions: The Stadium hosted 14 exhibition days. These events continue to enhance the Stadium's reputation as a multi-purpose venue and as a convenient location for large scale exhibitions. Armageddon, Beervana, Better Home & Living Show, the Food Show, and the Home & Garden Show were all well attended and provide an enormous variety of content for Wellingtonians.

Community Events: In November the Stadium hosted *Shakespeare and Henry Live at the Stadium* performed by approximately 250 primary school age students and again hosted the Wellington Marathon and the Sport Wellington Junior Sports Day. Throughout the year the Stadium provided the venue to the Police Dog Squad and Fire Service for a number of training exercises.

The Trust commenced and completed some major capital projects aimed at improving the hirer and patron experience.

The replacement of the Stadium turf was successfully completed in December. Feedback from players and hirers has been very positive. Notably, Professional Footballers Australia named Westpac Stadium as the best playing surface in the A-League competition.

The first stage of the connected venue project was also largely completed and successfully tested

during the British & Irish Lions matches. Free high-density Wi-Fi is now available to all patrons throughout the Stadium.

SUMMARY FINANCIALS

Highlights

- $1.70 million surplus
- Bank borrowings down to $4.3 million, $2.2m better than plan

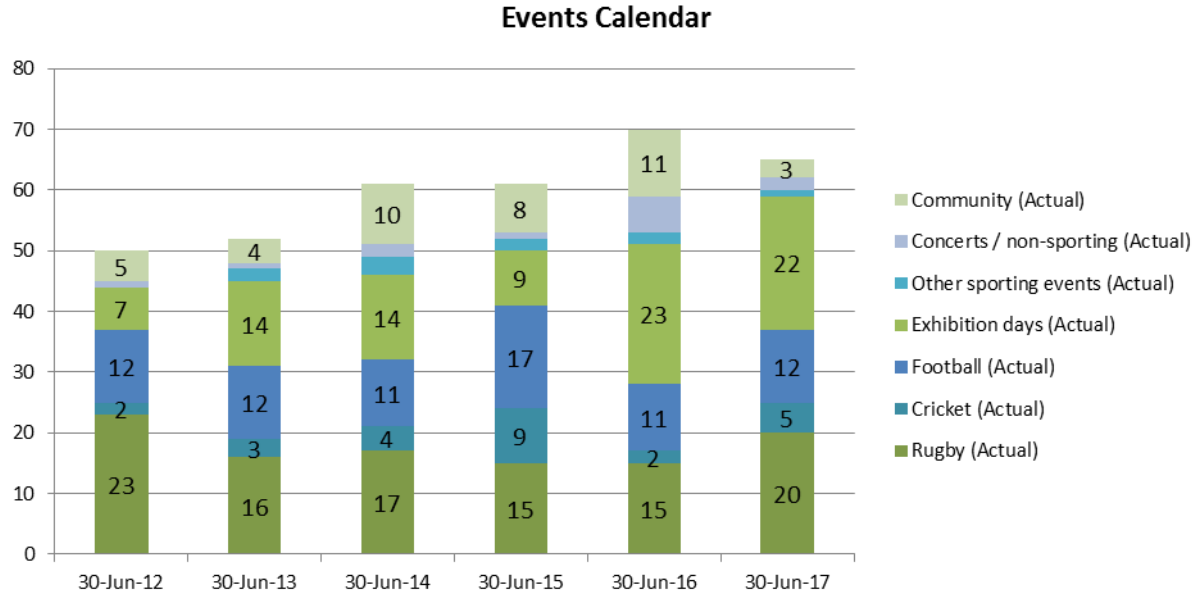
** Variance (Actual minus Budget).* ✓ *Favourable variance to budget* ✗ *Unfavourable variance to budget*

FINANCIAL PERFORMANCE ($000) 30 JUNE	Actual 2014	Actual 2015	Actual 2016	**Actual 2017**	*Budget 2017*	*Variance* 2017*
Total Revenue	16,333	17,298	15,852	**14,837**	*14,320*	517 ✓
Opex before Interest & Depn	9,799	10,642	9,718	**9,521**	*8,830*	691 ✗
Interest & Depn	4,292	4,563	4,053	**3,615**	*4,110*	495 ✓
Net Surplus	2,242	2,093	2,081	**1,701**	*1,380*	321 ✓
FINANCIAL POSITION						
Total Assets	99,743	102,868	96,426	**97,715**	*98,810*	1,095 ✗
Bank borrowings	10,890	7,500	4,000	**4,300**	*6,500*	2,200 ✓
Total Liabilities	18,899	18,432	9,909	**9,497**	*11,420*	1,923 ✗
Equity	80,844	84,436	86,517	**88,218**	*87,390*	828 ✓
CASH FLOWS						
Net Cash Flow	(1,472)	(25)	(3,663)	**(549)**	*(800)*	251 ✓
Opening Cash	1,608	136	4,332	**669**	*1,750*	
Closing Cash On Hand	136	111	669	**120**	*950*	

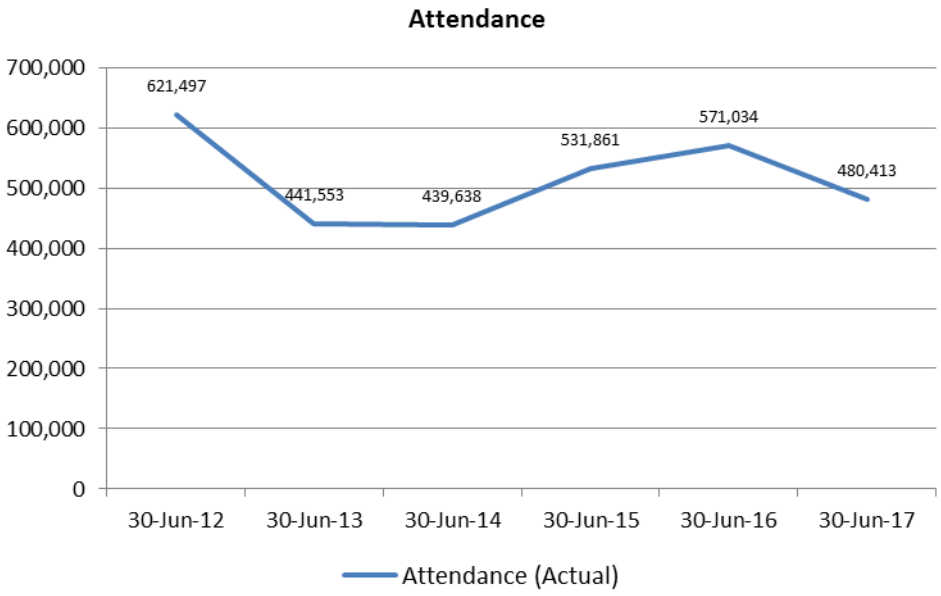
The Trust's event revenues for the year were $6.9m compared to $8.6m in the previous year and a budget of $5.4m. The increase over budget is partly due to the unbudgeted Super Rugby final matches in 2016 as well as other events achieving better than expected results. However, on the downside the Trust incurred considerable expense due to repairs required post the Kaikoura earthquake in November 2016. Overall the net surplus for the year was $1.70 million compared to $2.08 million in 2016, and ahead of the budgeted surplus of $1.38 million.

At 30 June 2018, bank borrowings were $4.3m.

EFFECTIVENESS INDICATORS



In a year that was bookended by the Hurricanes winning the Super Rugby title for the first time and the return of the British & Irish Lions, the Stadium once again cemented its position as New Zealand's most utilised and well-attended stadium.



The cumulative attendance since opening in 2000 is now over 9.3 million fans and 480,000 of these fans attended events during the 2016/17 year. The Stadium continues to host a range of exhibitions and indoor events in its concourse which continues to add to the Stadium's reputation as New Zealand's premier multi-purpose venue.

ISSUES & OUTLOOK
No issues to report. Work on the upgrade of the internal concourse is expected to commence in December 2017. The aim of the upgrade is to deliver a warmer, more welcoming environment for fans at all events, including exhibitions. The upgrade will seek to deliver a consistent look and feel for the concourse that better reflects the Wellington region, the local community and sporting achievements. This will include more natural lighting, improved food and beverage facilities and upgraded flooring. Council is providing $5m funding for the concourse upgrade project. Looking ahead, the Stadium has a full calendar of events secured for the next year including two All Black test matches, three Blackcaps fixtures, a Rugby League World Cup quarter-final and the FIFA Intercontinental play-off with Peru on 11th November.

15. WELLINGTON ZOO TRUST

ACTIVITY SUMMARY

Wellington Zoo Trust enjoyed another strong year to 30 June 2017 despite the challenges presented by the November earthquake and the inclement summer weather. In the year to 30 June 2017 the Zoo generated revenue equivalent to 57% of its operating costs and met or exceeded 17 of the 21 targets for the year.

Wild Ideas Conservation Symposium was held in April with all the Zoo's local and global conservation partners talking about their work in the wild to save animals. Chief Executive, Karen Fifield, received an MNZM for services to Business and Animal Welfare in the New Year Honours and Meet The Locals He Tuku Aroha Kea Walkthrough Aviary was opened signalling the completion of the Zoo Capital Programme.

The Zoo welcomed 230,632 visitors despite the effects of the earthquake and the wettest summer on record. The Zoo held a range of events to cater to its diverse audience. The following programmes help to demonstrate the popularity of the Zoo.

- 10,754 children participated in LEOTC programmes (5,254 above the target set by the Ministry Of Education).
- 2,766 people experienced the Zoo after dark on a Sleepover during the past year.
- 1,550 children joined the Zoo's Holiday Programmes over the past year.
- The Warehouse Wellington Zoofari Partnership provided the opportunity for 1,859 children from decile 1–3 schools in the Wellington, Porirua, the Hutt and Tasman regions to visit the Zoo for a free Zoofari Learning Session. A new partnership with New Zealand Coach Service supported the transport of children to and from the Zoo.
- On 26 January the Zoo held its 12th annual Neighbours Night with 1,723 Newtown locals enjoying the busiest Neighbours Night ever.
- The Zoo stayed open late on Wednesdays in February for Zoo Twilights with 453 visitors taking advantage of this summer evening option.
- For a third successive year the Zoo collaborated with Zealandia to host an Open Weekend in May. This event enables people to visit both organisations over the weekend for a $2 donation to conservation. 11,498 visitors made the most of the two days and the event contributed $21,937 to the Wellington Zoo Conservation Fund.

The Trust continued to receive good support by third parties in funding its various projects.

- Pub Charity granted $199,983 towards the upgrade of the perimeter fence.
- The Stout Trust contributed $25,000 and the Wellington Community Trust gave $15,000 towards the Living Room refurbishment.
- The Lottery Grants Board Environment and Heritage Committee provided a grant of $62,000 towards the new Kea aviary and walkthrough experience.
- MBIE Curious Minds gave $22,500 to support Wellington Zoo Bush Builders and the TG McCarthy Trust also gave $10,000 to support this programme.

The Trust's annual report provides a thorough review of its many achievements and documents its broad conservation networks and its collaboration and support for saving animals in the wild. Wellington Zoo supports thirteen global and national conservation partners. The Zoo's field conservation efforts exceeded its target by almost double, with 5.84% of the Zoo's operating budget (target 3.0%) invested through the contribution of staff time, resources and donations to conservation partner organisations to help save animals in the wild.

SUMMARY FINANCIALS

** Variance (Actual minus Budget).* ✔ *Favourable variance to budget* ✘ *Unfavourable variance to budget*

FINANCIAL PERFORMANCE ($000) 30 JUNE	Actual 2014	Actual 2015	Actual 2016	**Actual 2017**	*Budget 2017*	*Variance* 2017*
Total Revenue	6,008	7,756	7,201	**7,425**	*6,942*	*483* ✔
Total Expenses	5,936	6,703	6,817	**8,061**	*6,942*	*1,119* ✘
Net Surplus	72	1,053	384	**(636)**	*0*	*636* ✘
FINANCIAL POSITION						
Total Assets	2,527	3,967	3,842	**3,926**	*2,275*	*1,651* ✔
Total Liabilities	1,638	2,025	1,516	**2,236**	*1,333*	*903* ✘
Equity	889	1,942	2,326	**1,690**	*942*	*748* ✔
CASH FLOWS						
Net Cash Flow	106	1,519	(170)	**-916**	*(1,147)*	*231* ✔
Opening Cash	1,831	1,937	3,492	**3,322**	*3,277*	
Closing Cash	1,937	3,456	3,322	**1,906**	*2,130*	

Revenue of $7.4m was $483k (14%) better than budget. In addition to its operating grant from Council, the Trust's revenue includes admissions revenue of $2.9m, unbudgeted capital grants and donations of $302k, and sales revenue of $423k which is only the second time the Zoo shop has surpassed $400,000 in retail revenue.

Expenses of $8.0m were $1.1m over budget, but include $998k of vested capital grants and donations which the Trust does not budget for. The Trust ended the year with a reported net loss of $636k but an operating surplus of $9k after adjusting for capital grants and donations and asset vesting.

KPI DASHBOARD *(The tables contain a selection of KPIs and not a complete list)*

✔ *Achieved* ✘ *Not Achieved.*

30 JUNE		2014	2015	2016	**2017**
Full costs to Council*	Total	n/a	$4.64m	$4.96m	**$5.35m**
	$/visit	n/a	$20.54	$19.01	**$23.20**
Council grant subsidy^	Actual	$2.72m	$2.76m	$2.89m	**$3.13m**
	% revenue	45%	36%	40%	**42%**
Visitors^	Actual	227,434 ✔	225,927 ✘	260,809 ✔	**230,623** ✘
	Target	*216,890*	*230,111*	*234,714*	***239,408***
Average Income per visitor (ex WCC grant)	Actual	$14.01 ✘	$15.37 ✔	$14.90 ✔	**$16.86** ✔
	Target	*>$14.82*	*>$14.25*	*>$14.86*	***>$15.94***
Ratio of Trust generated income as % of WCC grant	Actual	117% ✘	126% ✔	138% ✔	**131%** ✔
	Target	*118%*	*119%*	*124%*	***122%***
Average WCC subsidy per visitor	Actual	$11.94 ✔	$12.20 ✘	$10.79 ✔	**$12.86** ✔
	Target	*<$12.52*	*<$11.98*	*<$11.99*	***<$13.05***
Students participating in LEOTC sessions	Actual	11,500 ✔	12,380 ✔	11,413 ✔	**10,754** ✔
	Target	*10,000*	*10,000*	*10,000*	***10,000***

** Council operating grant plus property related costs. This measure is required by Council and includes property costs which the Trust does not control.*

KPI DASHBOARD *(The tables contain a selection of KPIs and not a complete list)*
^ *This is not a KPI but provided for reference.*
Visitation during 2015/16 was boosted by the extraordinary summer weather. However last year, visitation was below target due mainly to the poor summer weather and the November 2016 earthquake.

ISSUES & OUTLOOK
No issues to note. Stage One of the Zoo Capital Programme is complete. This programme was not intended to address the entire upgrade needs for Wellington Zoo and the Trust is keen to continue with Stage Two of the ZCP. Council has received a range of capital development plans which will be considered as part of the Council's Long Term Planning processes.

Attachments

Attachment 1.	Basin Reserve Trust 2016-17 Annual Report	Page 35
Attachment 2.	Karori Sanctuary Trust 2016-17 Annual Report	Page 60
Attachment 3.	Wellington Cable Car Ltd 2016-17 Annual Report	Page 126
Attachment 4.	Wellington Museums Trust 2016-17 Annual Report	Page 155
Attachment 5.	Wellington Regional Economic Development Agency Ltd 2016-17 Annual Report	Page 216
Attachment 6.	Wellington Regional Stadium Trust 2016-17 Annual Report	Page 276
Attachment 7.	Wellington Zoo Trust 2016-17 Annual Report	Page 304

Authors	Warwick Hayes, Project Manager Economic & Commercial Barry Turfrey, Economic Development Unit
Authoriser	Danny McComb, Manager Economic & Commercial

SUPPORTING INFORMATION

Engagement and Consultation
Not applicable.

Treaty of Waitangi considerations
Not applicable.

Financial implications
The CCOs work within the confines of the Council's overall Long Term Plan and Annual Plan framework.

Policy and legislative implications
Not relevant.

Risks / legal
Not relevant.

Climate Change impact and considerations
The CCOs work with the Council and other organisations as part of considering environmental sustainability in their operations, including with the Council's Our Living City programme.

Communications Plan
Officers will incorporate feedback from the Committee into the Letters of Expectation that will be sent to the chair of the relevant CCO.

Health and Safety Impact considered
Not relevant.

BASIN RESERVE TRUST

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

BASIN RESERVE TRUST
ANNUAL REPORT
For the year ended: 30 June 2017

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BASIN RESERVE TRUST
ENTITY INFORMATION
For the year ended: 30 June 2017

Legal name
Basin Reserve Trust ("the Trust").

Type of entity and legal basis
The Trust is incorporated in New Zealand under the Charitable Trusts Act 1957 and also registered with the Charities Commission, registration number CC29029. The Trust was established by the Wellington City Council ("WCC") and Cricket Wellington ("CW") and is a Council Controlled Organisation ("CCO") as defined by Part 1, section 6 of the Local Government Act 2002.

The Trust's purpose or mission
The primary objective of the Trust is to manage, administer, plan, develop, maintain, promote and operate the Basin Reserve for recreational activities and for the playing of cricket, for the benefit of the inhabitants of Wellington.

Structure of the Trust's operations, including governance arrangements
The Trust comprises a Board of four Trustees who oversee the governance of the Trust. The Trustees delegated the daily operation of the Trust to CW pursuant to a Management Agreement dated 13 August 2013. The Trust's financial affairs are managed by an external Accountant, who also attends Trustee meetings and partakes in financial discussions.

Main sources of the Trust's cash and reserves
Operating grants received from the WCC are the the primary sources of funding to the Trust. The terms under which this funding is provided are contained in a Management Deed dated 16 March 2005.

Contact details

Physical Address:	Brierley Pavilion, Basin Reserve Rugby Street Wellington
Postal Address:	P O Box 578 Wellington
Phone	(04) 384-3171

BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
For the year ended: 30 June 2017

The Basin Reserve hosted two high profile international cricket matches, a Test Match against Bangladesh in early January, which resulted in New Zealand wining in the final session of Day 5 in front of over 5,000 spectators. The other one was against South Africa in March, which unfortunately resulted in a loss. Outside of cricket, the Trust has been actively working with several key partners to make the ground available in a way that is complmentary to the very busy cricket season. In February 2017, this saw the ground host the Winery Tour Concert, which was met very favourably by the public. Looking ahead to 2017-18, the venue will host a Wine and Food Festival in December and we are currently working towards hosting more events in early 2018.

The playing surface continues to receive excellent reviews from New Zealand Cricket and the International Cricket Council. Overall the New Zealand Cricket Players Association continues to rank the Basin Reserve at the top of New Zealand's cricketing venues; joined by the recently developed Hagley Oval in Christchurch.

The ground and the facilities also received very favourable verbal feedback from the promoter of the Winery Tour concert.

The Basin Reserve continues to provide an invaluable service to the community and again St Marks School have acessed the ground as a football training and cross-country venue.

Old Boys University Rugby Football Club continued to use the Basin Reserve as its home venue for its top senior sides until the conclusion of their season in August 2016. Whilst the Trust welcomes community use of the ground, it has been noted by independent experts that winter play over the cricket block is slowly diminishing the quality of the play achievable for international and domestic cricket. Therefore the Trust worked with rugby officials to alleviate this problem and ensure continued community use of the ground and it was decided to replace senior rugby games being played on the ground with Junior "Rippa" Rugby matches. Accordingly at the commencement of this rugby season, each Saturday morning, 12 teams play games on three junior fields marked out on the outfield of the ground. This means that approximately 120 participants are utilizing the facilities each weekend, which is double the usage rate in previous rugby seasons and also that the First-Class cricket can be played on the ground from mid-October, as the block renovation will be able to occur in April instead of August for this upcoming cricket season.

The Trust took the lead to identify and address these items through investment with capital expenditure before the season to ensure a positive impact long-term on the ground.

Due to circumstances outside of the Trust's control, some of the operating targets were not fully achieved for 2016/17. Two of the the Four day Plunket Shield games were not able to be hosted at the ground due to external factors. Firstly the Kaikoura Earthquake resulted in a Plunket Shield game being abandoned and was not able to be rescheduled at the ground. Secondly, a Plunket Shield Fixture, originally scheduled for the Basin was later moved by New Zealand Cricket to Westpac Stadium, as a trial for day-night cricket. This did however highlight the strength of the relationship between the Basin Reserve Trust and Westpac Stadium. Both of these occurences resulted in the number of Cricket Event Days and Events not being met. The number of Other Sports Event Days were below target due to "Rippa" Rugby only commencing on the ground in the 2017 rugby season. The number of Function Events and Event Days was also not met due to the Long Room not being available for hire whilst the R A Vance Stand exterior and interior refurishment was being carried out.

However it was extremely pleasing to see that the numbers attending events was significantly higher then targeted, despite the current challenges facing the ground.

BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
For the year ended: 30 June 2017

The Trust is also pleased to note that all the administrative targets were met, but unfortunately not all of the financial targets were met. There were two financial targets that were not met and they were that the Results were not within Budget due to the Trust recording a deficit of $69,000 as opposed to a targeted surplus of $9,000. Also Capital Expenditure wasn't within Budget due to the Trust making Capital Improvements of $133,000 as opposed to a Capital Expenditure Target of $0. These capital improvements were made to ensure that there was a long-term positive impact on the ground.

The Trusts's Statement of Intent for the year ended 30 June 2017 was adopted in June 2016 and the main objectives of the Trust are as follows:

1. To contribute to the WCC's vision of Creative Wellington - Innovative Capital - positioning Wellington as an affordable, internationally competitive city.

2. To manage, administer, plan, develop, maintain, promote and operate the Basin Reserve for recreation and leisure activities and for the playing of cricket for the benefit of the inhabitants of Wellington;

3. To establish a long term policy for the further development of the value of the Basin Reserve as a recreational facility and as a facility for the playing of cricket, other sports and as a venue for other community based activities;

4. To preserve and enhance the significant and recognised heritage value of the Basin Reserve.

5. To comply with all legislative and regulatory provisions relating to its operation and performance including statutory and general Council objectives for Council Controlled Organisations, and to acknowledge the Council's contribution where appropriate.

PERFORMANCE MEASURES

1.0 Administrative

As outlined in the Statement of Intent, the Trust had three key administrative targets for the year ended 30 June 2017

- Achieve targets within allocated budgets
- Comply with financial, technical and regulatory standards
- Carry out an Asset Management Plan

The administrative measure of achieving targets within budgets is ensuring that budgets are set within the required timeframes and also that the Annual Report is finalised within a set timeframe. The regulatory standards that the Trust is set to comply with are the Charitable Trusts Act 1957 and the Local Government Act 2002.

BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
For the year ended: 30 June 2017

Whilst these two targets are addressed as good business practice, the Trust has in particular focused on the Asset Management of the ground. Given the relative age of the infrastructure, its openness to the public and the sometimes harsh Wellington climate, constant attention to 'wear and tear' is necessary. The Trust has worked hard over the past 12 months to streamline and follow best practice processes. This now sees the Trust proactively managing the condition of the assets, while staying within its allocated budget. Over the next few years it is expected that the Masterplan work will supersede some of this work as upgraded facilities are handed back to the Trust with comprehensive management plans. By way of example, the Scoreboard refubishment addresses deferred maintenance items, with the intention of bringing the facility back to a "as new" level. The Asset Management plan carried out has been recorded in 2017 and 2016 as Not Applicable due to the fact that most of the assets at the ground are owned by the WCC and they take responsibility for this.

	30 June 2017		30 June 2016
Administrative	**Target**	**Actual**	**Actual**
Achieve targets within allocated budgets	Achieved	Achieved	Achieved
Comply with financial, technical and regulatory standards	Achieved	Achieved	Achieved
Asset Management plan carried out	Achieved	Not Applicable	Not Applicable

2.0 Operating

The Operating Measures for the Trust are by far the most visible, and generally speaking these are the ones upon which the Trust is evaluated in the public eye. Broadly speaking, these measures can be broken into three areas; events, customer satisfation and Council investment.

- Events:
  - Number of events and event days - cricket
  - Number of events and event days - other sports
  - Number of events and event days - community
  - Number of events and event days - function
  - Numbers attenting events (total)
  - Practice facility usage
- Customer Satisfaction
  - Hirer satisfaction with venue and events
  - Playing surface to be maintained to an international standard
- Council Investment
  - Operational Grant per attendance

In terms of the Event Measures, total attendance and number of events are the most easily understood. These measures simply summarise all events staged at the ground and the number of spectators attending these events. For high profile ticketed events such as Concerts, International and Domestic Cricket, accurate data is gained from the ticketing agents. These types of events represent approximately 90% of our total annual attendance. For smaller 'open to public' events such as rugby, we make an estimate of attendance based on head counts. The number of Function events and event days is a new measure hence there is no 2016 comparative figure. Community events are events that are open to the public, whereas function events are generally private events and are booked through the Trust's Concessionaire and are held in the Long Room.

BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
For the year ended: 30 June 2017

The Trust's performance measures also recognise the number of event days, as distinct from simply the number of events. By and large, this reflects events such as Cricket Test Matches spanning multiple days, and more accurately represents the Basin Reserve's usage rates. In addition to these standard measurements, the Trust also records usage of the venue's Cricket Practice Facilities. Following considerable investment in these practice facilities over the years, it is important to guage their level of use. Of note, this figure also includes international cricket practices for matches at Westpac Stadium. With no Practice Facilities of its own, Westpac Stadium contracts the Basin Reserve Trust to provide these facilities on its behalf. This is perhaps a good example of the close and positive relationship between the two venues.

Working alongside the simple metrics of events and attendance, the Trust is focussed upon attaining a high level of customer satisfaction from its users. To assess customer satisfaction, the Trust relies upon a range of sources. For international and domestic cricket, online reporting tools provide an accurate and measurable review of the venue's performace both on and off the field. For other events, the Trust has relied upon feedback from two non-independent sources and feedback was not received on all events, which is a deficiency in the result.

In terms of on-field, the Basin Reserve continues to be recognised as the premier cricket venue in the country. The outfield drainage received an upgrade several years ago and offers an excellent playing surface for both cricket and other sports. The Cricket block itself is world renowned for its pace and bounce, key aspects for delivering high quality cricket entertainment to the public. However, as noted earlier, the Trust needs to address the sometimes competing demand of summer and winter use, in order to preserve the Basin Reserve's status. Off-field, the aging facilities present a challenge, and one that is continuing to be adressed in the coming years through the Basin Reserve Masterplan.

	30 June 2017		30 June 2016
Operating - Number of Events	**Target**	**Actual**	**Actual**
Cricket	25	20	34
Other Sports	22	33	25
Community	12	15	18
Function	15	10	-
Operating - Number of Event Days			
Cricket	38	36	49
Other Sports	22	9	25
Community	12	14	36
Function	15	8	-
Numbers attending events (total)	31,000	37,336	49,778
Practice facility usage	85	147	101
Hirer satisfaction with venue and events	Achieved	Achieved	Achieved
Playing surface to be maintained to an international standard	Achieved	Achieved	Achieved
Operational Grant per attendance	$12.27	$10.26	$7.00

BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
For the year ended: 30 June 2017

3.0 Financial

Financial measures for the Trust largely reflect its ability to work within a budget defined by the Council grants and event hire. These two areas represent the vast majority of the Trust's income and as such it works hard to ensure achievement of the below objectives:

- Results within Budget
- Capital expenditure within Budget
- Event Income
- Business Plan developed

In terms of the Trust working within budgets, it was disappointing that the Trust did not achieve this target as the Trust recorded a Deficit of $69,000 as opposed to a target of a Surplus of $9,000. Also the Trusts Capital Expenditure greatly exceeded the target by $133,000. Most of this work was undertaken in conjunction with the Capital Expenditure being made on the ground facilities by the WCC, which wasn't envisaged when the budget was submitted in early March 2016. The Trust has however spent considerable time developing its business plan and improving its planning processes. This has allowed the Trust to take a proactive approach to the management of the ground and attraction of events.

The major items of capital expenditure made during the year under review were on the R A Vance Stand interior upgrade and data outlets and Sky cabling, CCTV and and an upgrade to the onfield Practice Wicket.

Pleasingly, the Trust has secured international cricket fixtures for the next season, a Test Match against the West Indies in December and a One-Day International against Pakistan in January.

Also the Trust is extremely pleased with the progress that has been made in this financial year on the Masterplan. The exterior upgrade of the R A Vance was completed and the interior upgrade was commenced and will be completed before the start of 2017/18 Cricket Season. The interior works includes structural changes to the Norwood Room and a complete upgrade of the kitchens, which will result in a considerable improvement to the facilities.

Also the old Scoreboard is getting a complete overhaul before the commencement of the 2017/18 Cricket Season. This work will include recladding, rewiring and replacement of the lightbulbs with a modern LED system

	30 June 2017		30 June 2016
Financial	**Target**	**Actual**	**Actual**
Results within Budget	Achieved	Not Achieved	Not Achieved
Capital expenditure within Budget	Achieved	Not Achieved	Achieved
Event Income	$149,000	$206,600	$196,500
Business Plan developed	Achieved	Achieved	Achieved

BASIN RESERVE TRUST
STATEMENT OF COMPLIANCE AND RESPONSIBILITY
For the year ended: 30 June 2017

SUMMARY OF ANNUAL PERFORMANCE

The Basin Reserve hosted two high profile international cricket matches, a Test Match against Bangladesh and a Test Match against South Africa. Outside of cricket, the Trust has been actively working with several key partners to make the ground available in a way that is complementary to the very busy cricket season. Ine February 2017, this saw the ground host the Winery Tour Concert, which was met very favourably by the public. Looking ahead to 2017-18, the venue will host a Wine and Food Festival in December and the Trust is currently working towards hosting more events in early 2018.

The playing surface continues to receive excellent reviews from New Zealand Cricket and the International Cricket Council. Overall the New Zealand Cricket Players Association continues to rank the Basin Reserve at the top of New Zealand's cricketing venues.

The ground and the facilities also received very favourable verbal feedback from the promoter of the Winery Tour concert.

The Basin Reserve continues to provide an invaluable service to the community and again St Marks School have acessed the ground as a football training and cross-country venue. The ground has also recently commenced to host 12 teams of "Rippa" Rugby players.on Saturday mornings.

Due to circumstances outside of the Trust's control, some of the operating targets were not met. The number of Cricket Events and Event Days were not met because two Plunket Shield four day cricket games were not able to be hosted at the ground. This was due to a match being abandoned because of the Kaikoura Earquake and also New Zealand Cricket wanting to trial day-night cricket. The number of Other Sports Event Days were below target due to "Rippa" Rugby only commencing in the 2017 rugby season and also the Function Events and Event Days were not met due to the refurbishment of the R A Vance Stand.

The Trust is however pleased to note that all the administrative targets were met, but unfortunately not all of the financial targets were met. There were two financial targets that were not met and they were that the Results were not within Budget due to the Trust recording a deficit of $69,000 as opposed to a targeted surplus of $9,000. Also Capital Expenditure wasn't within Budget due to the Trust making Capital Improvements of $133,000 as opposed to a Capital Expenditure Target of $0.

However it was extremely pleasing to see that the numbers attending events was significantly higher then targeted, despite the current challenges facing the ground.

COMPLIANCE

The Board and management of the Basin Reserve Trust ("the Trust") confirm that all statutory reqiurements of the Local Government Act 2002 regarding financial and operational management have been complied with.

RESPONSIBILITY

The Board and management of the Trust accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

BASIN RESERVE TRUST
STATEMENT OF COMPLIANCE AND RESPONSIBILITY
For the year ended: 30 June 2017

The Board accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting and performance information of the Trust.

In the opinion of the Board and management, the Annual Financial Statements for the year ended 30 June 2017 fairly reflect the financial position, results of operations and service performance achievements of the Trust.

Sir John Anderson,
Chairman
Date: 19/9/17

Cam Mitchell
Chief Executive Officer
Cricket Wellington
Date: 19/9/17

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
For the year ended: 30 June 2017

	Notes	Actual 2017	Budget 2017	Actual 2016
		$	$	$
Revenue				
Council funding	1	632,938	604,050	592,707
Grants other		66,686	-	8,292
Sales of goods and services	2	288,320	215,000	255,132
Interest revenue		682	3,500	3,191
Total Revenue		988,626	822,550	859,322
Expenses				
Depreciation of property, plant and equipment	7	109,298	87,000	92,213
Costs related to providing goods and services	3	809,967	601,500	663,567
Other expenses	4	138,022	125,125	115,421
Total Expenses		1,057,287	813,625	871,201
Surplus/(Deficit) for the Year		(68,661)	8,925	(11,879)

Explanations of major variances against budget are provided in note 15

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	Notes	Actual 2017	Budget 2017	Actual 2016
Assets		$	$	$
Current Assets				
Bank accounts and cash	5	27,825	76,342	109,445
Debtors and prepayments	6	126,479	185,600	181,406
Total Current Assets		154,304	261,942	290,851
Non-Current Assets				
Debtors and prepayments	6	-	-	12,075
Property, plant and equipment	7	622,054	646,490	598,209
Total Non-Current Assets		622,054	646,490	610,284
Total Assets		**776,358**	**908,432**	**901,135**
Liabilities				
Current Liabilities				
Creditors and accrued expenses	8	170,588	142,520	162,319
Income received in advance		10,000	-	10,000
Unearned income		4,323	-	68,708
Total Current Liabilities		184,911	142,520	241,027
Total Liabilities		**184,911**	**142,520**	**241,027**
Total Assets less Total Liabilities		**591,447**	**765,912**	**660,108**
Trust Equity				
Contributed capital	9	100	100	100
Accumulated surpluses	9	591,347	765,812	660,008
Total Trust Equity		**591,447**	**765,912**	**660,108**

Explanations of major variances against budget are provided in note 15

BASIN RESERVE TRUST
STATEMENT OF CASH FLOWS
For the year ended: 30 June 2017

	Note	Actual 2017	Budget 2017	Actual 2016
		$	$	$
Cash Flows from Operating Activities				
Receipts of council funding		665,358	544,050	585,303
Receipts of grants other		66,351	-	8,292
Receipts from sale of goods and services		281,813	175,000	259,283
Interest receipts		682	3,500	3,191
Payments to suppliers and employees		(952,128)	(675,800)	(761,364)
GST (net)		(11,188)	(35,600)	1,130
Net Cash Flows from Operating Activities		50,888	11,150	95,835
Cash Flows from Investing and Financing Activities				
Payments to acquire property, plant and equipment		(132,508)	-	(34,673)
Net Cash Flows from Investing and Financing Activities		(132,508)	-	(34,673)
Net Increase/(Decrease) in Cash for the Year		(81,620)	11,150	61,162
Add opening bank accounts and cash		109,445	65,192	48,283
Closing Bank Accounts and Cash	3	**27,825**	**76,342**	**109,445**

Explanations of major variances against budget are provided in note 15

BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
For the year ended: 30 June 2017

ACCOUNTING POLICIES APPLIED

BASIS OF PREPARATION

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than $2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

The accounts have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

GOODS AND SERVICES TAX

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST. except for debtors and creditors, which are stated inclusive of GST.

INCOME TAX

The Trust is registered with the Charities Commission and is thus exempt from income tax under the Income Tax Act 2007. The Trust is not exempt from the need to comply with indirect tax obligations such as Goods and Services, Fringe Benefit and Entertainment and accordingly complies with those obligations that are applicable.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Grants

Council and other grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if the conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sale of goods

Revenue from the sale of goods is recognised when the goods are sold to the customer.

Sale of services

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
For the year ended: 30 June 2017

Donated Assets
Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

Interest revenue
Interest revenue is recorded as it is earned during the year.

Administration and overhead costs
These are expensed when the related service has been received.

Bank accounts and cash
Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Debtors
Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Property, plant and equipment
Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not reognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amounts.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of nthe asset.

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Leasehold improvements	1.5 to 45.5 years	(2.20% to 66.70%)
Drainage works	14 to 18 years	(5.50% to 7.20%)
Furniture & fittings	2.5 to 8.5 years	(12.00% to 48.00%)
Plant	3 to 6.5 years	(16.20% to 33.00%)

Creditors and accrued expenses
Creditors and accrued expenses are measured at the amount owed.

BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
For the year ended: 30 June 2017

Budget figures
The budget figures are derived from the statement of intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Tier 2 PBE Accounting Standards applied
The Trust has not applied any Tier 2 Accounting Standards in preparing its financial statements.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies from those used in the previous financial year.

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2017

1 Council funding

	2017	2016
	$	$
Operational grant - WCC	382,938	367,500
Turf management grant - WCC	250,000	225,207
Total council funding	**632,938**	**592,707**

2 Sales of goods and services

	2017	2016
	$	$
Ground hire income	206,600	196,500
Concession income	21,194	30,384
Signage	-	1,000
Picket fence income	1,489	70
Miscellaneous income	59,037	27,178
Total sales of goods and services	**288,320**	**255,132**

3 Costs related to providing goods and services

	2017	2016
	$	$
Building expenses	40,728	58,710
Ground expenses	455,484	367,536
Occupancy expenses	133,024	135,995
Event running expenses	180,511	101,286
Picket fence expenses	220	40
Total costs related to providing goods and services	**809,967**	**663,567**

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2017

4 Other expenses

	2017	2016
	$	$
Audit fee for the financial statement audit	13,483	13,090
Management fee	68,000	68,000
Marketing	8,889	20,588
Other administrative expenses	47,650	13,743
Total other expenses	**138,022**	**115,421**

5 Bank accounts and cash

	2017	2016
	$	$
Cash on hand	165	165
Cheque account	13,608	39,792
Savings accounts	14,052	69,488
Total bank accounts and cash	**27,825**	**109,445**

6 Debtors and prepayments

	2017	2016
	$	$
Gross debtors	120,963	187,946
Provision for impairment	-	-
Net debtors	120,963	187,946
Prepayments	5,516	5,535
Total debtors and prepayments	**126,479**	**193,481**

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2017

7 Property, plant and equipment

	Plant	Furniture & Fittings	Drainage Works	Leasehold Improvements	Total
	$	$	$	$	$
Carrying amount at 1 July 2015	12,366	19,404	61,238	552,076	645,084
Additions	26,220	1,614	-	17,504	45,338
Disposal (net of accumulated depreciation)	-	-	-	-	-
Depreciation expense	(13,979)	(6,021)	(8,696)	(63,517)	(92,213)
Carrying amount at 30 June 2016	24,607	14,997	52,542	506,063	**598,209**
Carrying amount at 1 July 2016	24,607	14,997	52,542	506,063	598,209
Additions	56,605	-	-	76,538	133,143
Disposal (net of accumulated depreciation)	-	-	-	-	-
Depreciation expense	(30,650)	(4,483)	(8,696)	(65,469)	(109,298)
Carrying amount at 30 June 2017	50,562	10,514	43,846	517,132	**622,054**

The land and buildings that the ground is situated on are owned by the WCC and are occupied under a lease agreement with them.

8 Creditors and accrued expenses

	2017	2016
	$	$
Creditors	150,185	116,564
Accrued expenses	20,403	45,755
Total creditors and accrued expenses	**170,588**	**162,319**

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2017

9 Equity

	2017	2016
	$	$
Contributed capital		
Balance at 1 July	100	100
Balance at 30 June	100	100
Accumulated surpluses		
Balance at 1 July	660,008	671,887
Surplus for the year	(68,661)	(11,879)
Balance at 30 June	591,347	660,008
Total equity	**591,447**	**660,108**

10 Commitments

There were no operating or capital commitments as at 30 June 2017 (2016 Nil).

11 Contingent liabilities

There were no contingent liabilities or assets as at 30 June 2017 (2016 Nil).

12 Related-party transactions

Related-party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

Related-party transactions significant to the Trust requiring disclosure

1. WCC made a grant of $382,938 (2016 $367,500) to the Trust as a contribution towards the costs of operating the Trust.
2. WCC made a grant of $250,000 (2016 $225,207) to the Trust as a contribution towards the costs Turf Management.
3. The Trust paid WCC the sum of $10,000 (2016 $10,000) as a contribution for the Karori Park operation.

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2017

13 Trustee fees

In the year to 30 June 2017, the Trustees did not receive any remuneration in regard to their duties as trustees (30 June 2016 Nil).

14 Events after the balance date

There were no significant events after the balance date.

15 Explanations of major variances against budget

Explanations for major variances from the Trust's budgeted figures in the 30 June 2017 statement of intent are as follows:

Statement of financial performance

1. In this financial year the model for hosting International Cricket matches was changed and the amounts received for hosting them was increased, to re-imburse the Trust for the increased expenditure to be met by them in hosting games.
2. When the budget was agreed it was not envisaged that the Trust would generate any revenue from Grants Other.
3. Also when the budget was agreed it wasn't envisaged that there would be any income generated from the sale of the LED Screen.
4. The amount required to be spent on Turf Management was well in excess of what was envisaged when the budget was set.
5. The amount spent on Event Running was far more than what was budgetted for due to the model for hosting International Cricket matches changing in this financial year as mentioned above.

Statement of financial position

1. Debtors are lower than budgeted for due to the amount invoiced for the sale of the LED screen being lower than envisaged.
2. Equity is lower than budgetted for due to the opeing equity being lower than envisaged and also this year producing a deficit, whereas it was budgeted that the Trust would produce a small surplus.

Statement of cash flows

1. When the budget was set it was not envisaged that there would be any capital expenditure, whereas the actual capital expenditure was quite high mainly to complement the capital expenditure being made on the ground by the WCC.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Basin Reserve Trust's financial statements and performance information for the year ended 30 June 2017

The Auditor-General is the auditor of Basin Reserve Trust (the Trust). The Auditor-General has appointed me, Mari-Anne Williamson, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

Opinion

We have audited:

- the financial statements of the Trust on pages 1 and 9 to 19, that comprise the statement of financial position as at 30 June 2017, the statement of financial performance and statement of cash flows for the year ended on that date and the entity information, notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 2 to 6.

In our opinion:

- the financial statements of the Trust on pages 1 and 9 to 19:
    - present fairly, in all material respects:
        - its financial position as at 30 June 2017; and
        - its financial performance and cash flows for the year then ended; and
    - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) Standard; and
- the performance information of the Trust on pages 2 to 6 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2017.

Our audit was completed on 19 September 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the financial statements and the performance information

The Board is responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board is also responsible for preparing the performance information for the Trust.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Board's responsibilities arise from the Local Government Act 2002 and the Basin Reserve Trust Deed.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Trust's Statement of Intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 7 and 8, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

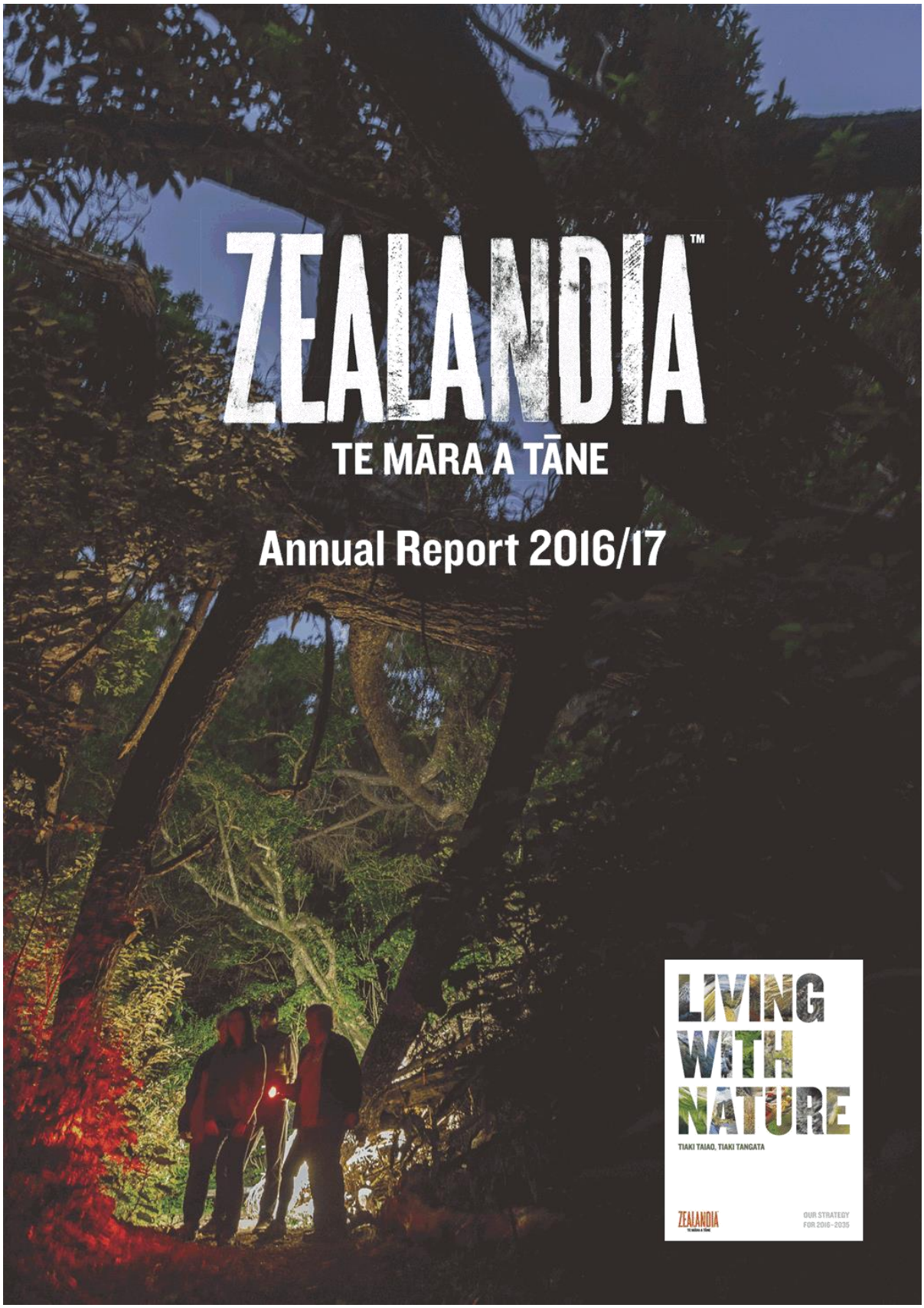
In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1(Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.

Mari-Anne Williamson
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand


ZEALANDIA™
TE MĀRA A TĀNE
Annual Report 2016/17
LIVING WITH NATURE
TIAKI TAIAO, TIAKI TANGATA
ZEALANDIA
OUR STRATEGY FOR 2016 - 2035

Our Purpose:

TE KUPI TAUĀKĪ

We connect people with our unique natural heritage, and inspire actions that transform how people live with nature in our cities, towns and beyond.

"...the valley that managed to transform a city."

Ali McDonald

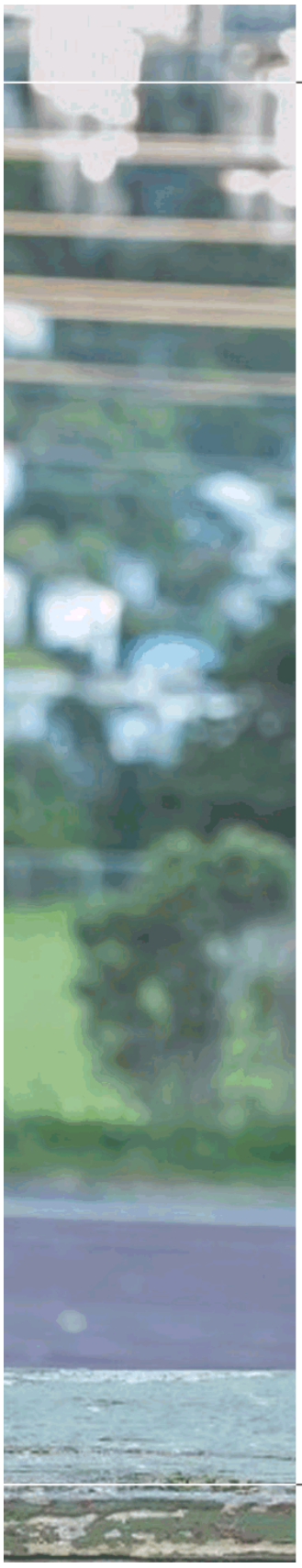
Welcome to the Karori Sanctuary Trust's Annual Report for the financial year ending 30 June 2017. This Annual Report meets our reporting requirements for Wellington City Council and also connects our newly launched 20 year strategy ***Living with Nature - Tiaki Taiao, Tiaki Tangata:*** with our key achievements in 2016/17.

The Karori Sanctuary Trust's Annual Report was project managed by Matthew Valentine, Manager Corporate Services; content was provided by the ZEALANDIA team; and layout design by volunteer Caroline Cameron and Capiche Design.

Cover photo: Night tour at ZEALANDIA. Photo credit: ZEALANDIA.

Back cover photo: ZEALANDIA Fence. Photo credit: Haley May.

Inside cover photo: Kākā outside ZEALANDIA. Photo credit: Judi Lapsley Miller.



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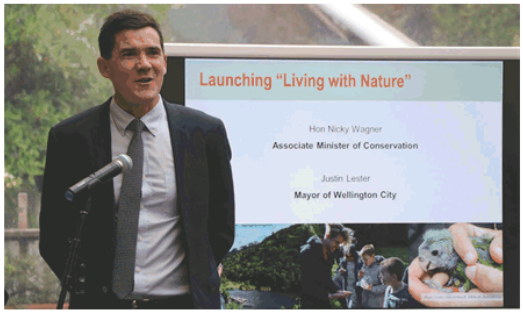
Celebrating People and Nature

TĒNĀ KOUTOU

A five hundred year integrated vision of people *and* nature is a powerful thing to drive a year when many things were not predictable.



Living With Nature Launch. Photo credit: ZEALANDIA.

Nature Connections Wellington Wild Things.

Compared to the long, warm, settled summer of 2015/16, this year brought the joint challenges of earthquakes, floods, and unsettled weather. Despite this, we are proud that we once again welcomed over 125,000 visitors to ZEALANDIA, matching last year's high, and continued to add significant value across all the dimensions of social, human, environmental and financial capital.

Our membership numbers rose to nearly 11,000, the highest in our history for a year-end. We achieved a net operating financial surplus of $87,670 (before the loss on disposal of the Visitor Centre) and at year-end we had working capital of $781,639. Volunteer numbers reached a high of 556 and from birds to bush, our biodiversity flourished. This underscores the achievements of last year and firmly establishes our position as a healthy and sustainable organisation.

Strong sustainable organisations need a clear game plan for adding future value in all dimensions. This year saw the culmination of nearly 12 months' work with the launch of our second generation strategy: ***Living with Nature - Tiaki Taiao, Tiaki Tangata***.

It was an exciting, energising and inspiring conversation with the many stakeholders who challenged us to be ambitious, just as ZEALANDIA's founders were over 20 years ago, for the next 20 years.

Living with Nature - Tiaki Taiao, Tiaki Tangata recognises that the impact of ZEALANDIA comes not only from restoration within the sanctuary fence, but also from the opportunity for people to connect with the natural world beyond the fence, the restoration of nature-rich urban spaces. This sets ZEALANDIA and Wellington apart nationally and internationally. Our strategy for the next 20 years is to build on this uniqueness to achieve extraordinary benefits for people and nature together, from local to global impact.

One major new project which illustrates our approach to achieving the ***Living with Nature - Tiaki Taiao, Tiaki Tangata*** goals is Sanctuary to Sea, the restoration of the water catchment from ZEALANDIA's dams down the length of the Kaiwharawhara stream to the harbour: a complex, technical, multi-stakeholder, multi-year project. Work on the project began this year with a meeting of over 30 stakeholders to discuss the opportunities and challenges.

Juvenile tuatara release. Photo credit: ZEALANDIA.

Kirk's daisy transplanted into the sanctuary. Photo credit: ZEALANDIA.

The high degree of consensus and enthusiasm to progress the project is testament to the commitment and passion of all involved and we look forward to cementing the collaborations and partnerships, and making significant progress in 2017/18.

Once again, we have enjoyed major conservation gains throughout the year with good breeding success for all our bird species. Seeing a pair of pāteke (brown teal) with tiny ducklings in tow highlighted just how successful our threatened species can be if provided with the right environment. Tīeke (saddlebacks) continue to breed outside the sanctuary fence and a growing number are now being monitored in Polhill Reserve. This is a major success for a species until recently extinct on the New Zealand mainland for over 100 years, and a major success for the committed Polhill volunteers! Other achievements included the release of our captive juvenile tuatara into the sanctuary, and the translocation of the tree daisy, *Brachyglottis kirkii*, into the sanctuary from Otari-Wiltons Bush.

It was disappointing to postpone the planned translocation of tītipounamu (rifleman) into the sanctuary in March this year. However, the evident and serious decline in bird numbers in the Wainuiomata catchment (our source population) is a reminder of just how fragile our native species can be. Greater Wellington Regional Council are continuing to monitor this population, and we hope to be able to proceed with the translocation when the numbers improve to healthy levels again.

People and partner organisations are fundamental to our success and we would like to express our very sincere thanks to over 550 volunteers who have given so freely of their time, to support our work across all aspects of ZEALANDIA including weeding, guiding and hosting, bird feeding, fence monitoring, strategy development and fundraising. We also salute our members, Guardians, partners, sponsors and donors for another year of invaluable support. Our relationships with our principal supporter Wellington City Council, and partners such as Otari-Wiltons Bush and Wellington Zoo Trust are vital, and we look forward to growing these.

For the senior management team it has been a year of changes and we welcome new team members Dr Danielle Shanahan, Chris Fitzgerald and Matt Valentine in the early part of the year; together forming a strong team to drive our goals. Change also involves recognising and celebrating the legacy of those who move on. Russ Drewry, senior manager responsible for our facilities and infrastructure completed almost 10 years of service, and we are grateful to him for the significant contribution he has made to our progress in health and safety, sustainability and more. Pam Fuller, Trustee since 2012, made an unstinting contribution with her passion for people, botany and good governance, and was appropriately recognised with the awarding of Honorary Membership.

Finally, our thanks go to all the hard-working staff team at ZEALANDIA, and to all the Trustees for their continued efforts along with the Guardians, led by Roy Sharp, whose strong interest is highly valued.

2017/18 is already promising to be exciting, inspiring and enriching as we progress a range of new initiatives in support of ***Living with Nature - Tiaki Taiao, Tiaki Tangata.*** We look forward to working with you as we continue to grow nature-rich communities.

Ngā mihi

Paul Atkins
Chief Executive

Denise Church
Chair

Our Integrated Reporting Approach

We live in an integrated world: the wellbeing of people, environment, community and finances are all connected, and nowhere is that more true than for ZEALANDIA with our mission to transform how people live with nature in our towns, cities and beyond.

So when it comes to annual reporting, our goal is to express, in an integrated way, how we add value to Wellington and beyond. This year, we have taken further steps down the track towards Integrated Reporting, examining how we create value over time. How we implement our business model has implications for employees, volunteers, customers and visitors, suppliers, partner organisations, businesses, wider Wellington residents, and more.

ENVIRONMENTAL

- Build Wellington as an environmental knowledge capital
- Continue to restore the valley's flora and fauna, and maintain the bio-secure environment

HUMAN

- Continuous care and commitment to our people to ensure that we succeed
- Invest in staff and volunteer development

FINANCIAL

- Deliver a fully sustainable financial position for the future
- Invest in key technology and infrastructure

SOCIAL

- Transform how we and others live with nature in our cities and towns
- Promote health and wellbeing to the community

Highlights

Number	Measure	Impact
0	Pest incursions.	Our biosecurity systems continue to function, allowing the fauna and flora within the sanctuary to thrive.
11	Juvenile tuatara released into the sanctuary.	In ZEALANDIA the wild tuatara population is now thriving and a captive population is no longer necessary.

Number	Measure	Impact
556	Volunteers contributing in every way to ZEALANDIA.	We provide opportunities for volunteers to upskill, become part of a flourishing community, and to contribute to an important environmental project.
27	Research students from four institutions hosted at ZEALANDIA.	The ZEALANDIA living laboratory is providing a firm foundation for research students to learn and discover.

Number	Measure	Impact
$781,639	Working Capital as at 30 June 2017.	Supports organisational resilience and enable reinvestment in key future strategic projects.
$3,589,696	Operating revenue raised (excluding WCC grant) an 8% increase on last year.	Increases our diversification of income and reduces our reliance on WCC grant.

Number	Measure	Impact
11,621	Education Visits (LEOTC, Tertiary, Early Childhood, School Holiday Programme).	Young people are gaining opportunities to have an environmental education experience, creating an environmentally aware population for the future.
125,179	Visitors welcomed.	We are recognised as a valued asset for locals, and an attractive destination for domestic and overseas tourists.

LIVING WITH NATURE -
TIAKI TAIAO, TIAKI TANGATA

In December, we launched, ***Living with Nature - Tiaki Taiao, Tiaki Tangata: our strategy for 2016-2035.*** We were delighted that Hon Nicky Wagner and Mayor Justin Lester attended as our guest speakers, and many of our key partners from across Wellington were there too. The launch was the culmination of almost a year of workshops and conversations with members, volunteers, Board, Guardians, staff, and partner organisations.

A key focus of ***Living with Nature - Tiaki Taiao, Tiaki Tangata,*** includes growing and developing our core partnership with Wellington City Council, and the other Councils that shape our wider communities, to create outstanding biophysical, educational and economic outcomes for Wellington and the region.

The full strategy document is available on our web page: www.visitzealandia.com/livingwithnature.

Wellington as an outstanding place to live, work, learn, play and visit.

OUR THEMES

ZEALANDIA WILL PLAY AN ACTIVE ROLE IN TRANSFORMATION LOCALLY, NATIONALLY AND INTERNATIONALLY THROUGH BEING:

A PLACE THAT TREASURES
HE WĀHI TAONGA

- Restoring Te Māra a Tāne and its extending halo of biodiversity.
- Building our organisation's capacity to drive transformation.

A PLACE THAT ENGAGES
HE WĀHI HUIHUINGA

- Creating inspiring, accessible experiences.
- Forming strong and enduring local, national and international partnerships based on shared goals.

With 480 years of our journey still to go, there is much work yet to be done in the Sanctuary. The continuing restoration of flora and fauna alongside the maintenance of a bio-secure environment remain core priorities. The inter-generational nature of ZEALANDIA underscores the importance of kaitiakitanga, our responsibility of stewardship for the long term. Stewardship is an all embracing concept, integrating social, economic, environmental and human capital.

As we enter our second generation, it is clear our context and opportunities have evolved since the founding years. Local writer and ZEALANDIA volunteer, Ali McDonald, has described ZEALANDIA as "…the valley that managed to transform a city." The resurgence and abundance of kākā, tīeke, kererū and tūī have changed not only the sanctuary but also the city, reaching those who live, work, visit and learn in Wellington.

Already we have a powerful platform in Wellington with our partners, a biodiversity action plan, and committed councils, communities, schools and universities. Adding impetus to this is the Government's commitment to make New Zealand predator free by 2050 and the Predator-Free Wellington programme. We are up for the challenge - ZEALANDIA can play a central role in transforming our communities to be nature-rich.

ZEALANDIA is a place that transforms biodiversity, people and knowledge, and through this transforms our capacity for ***Living with Nature - Tiaki Taiao, Tiaki Tangata.***

Living With Nature Launch.
Photo credit: Judi Lapsley Miller.

"In ZEALANDIA's first generation from 1995 to 2015, a courageous and clever group turned a bold idea into reality – a sanctuary which is now teeming with New Zealand wildlife returned to the mainland and communities reconnected with nature"

Quote from Living with Nature - Tiaki Taiao, Tiaki Tangata.

A PLACE FOR LEARNING
HE WĀHI MĀTAURANGA

Embracing Mātauranga Māori and other knowledge frameworks.

Being a hub where people of all ages can learn, create new knowledge and share their insights and understanding.

A PLACE THAT EMPOWERS
HE WĀHI WHAKAMANA

Equipping people with experience and skills for a nature-rich future.

Inspiring change through example and shared passion for action.

TREASURING: CONSERVATION FOR THE COMMUNITY

EXCELLENCE IN CONSERVATION

There are very few places in the world where conservation of the standard seen in ZEALANDIA happens right in the middle of a city. This year the role of sanctuaries was highlighted as the threat level of extinction to two species of bird was downgraded from threatened to 'At risk - recovering'—the North Island kākā and pied shag.

The importance of establishing thriving populations of birds on the mainland was reinforced by the need to postpone the effort to bring tītipounamu (rifleman) into the sanctuary. The latest surveys indicated this species is declining in the Wainuiomata Mainland Island site, most likely driven by rats that eat eggs and chicks. While this change means birds did not come to ZEALANDIA this year, the ZEALANDIA Conservation team will continue to look for ways we can contribute to national-level conservation of this species.

We are also looking closely at how we monitor and enhance our flora. This is being made possible with the addition of Dr Pascale Michel in 2017, who brings exceptional botanical skills to the team. This programme has included re-establishing vegetation plots for monitoring, and building our partnerships with organisations such as Otari-Wilton's Bush.

Spotted skink at ZEALANDIA

Spotted skink were brought into ZEALANDIA in January 2016, with a large team including ZEALANDIA staff, volunteers, researchers, iwi, youth ambassadors, community members and Department of Conservation staff shifting 96 skinks from Matiu/Somes Island to two sites in the valley. This is one of the more critical times for any animal transfer– did the animals survive their first winter? During a monitoring programme designed by an intern and in partnership with Victoria University of Wellington, the Conservation team not only found spotted skinks that had survived the first year, but also pregnant females! This is in addition to occasional lucky visitors who spotted juveniles. We will continue to monitor this species to determine the success of the programme, but at this point things are looking extremely promising.

Rifleman at Days Bay. Photo credit: Digitaltrails.

Juvenile tuatara release. Photo credit: ZEALANDIA.

A volunteer bands the 800th kākā. Photo credit: Elizabeth Ridder.

TREASURING MAIMOATIA

Juvenile tuatara release

Two enclosures were set up in 2011 as a nursery in the Sanctuary for juvenile tuatara when the population was establishing. These juveniles were from eggs rescued from disturbed nests. In June this year all these juvenile tuatara were released from the nursery enclosures into the valley having grown sufficiently to be less vulnerable to predation. The release was witnessed by over 60 volunteers, partners, staff, members and iwi who helped us celebrate this milestone

A new phase of fauna monitoring in the Sanctuary

The Conservation team has been reviewing our approach to monitoring, and have begun to replicate the 5 minute bird counts that were initiated by the Ornithological Society of New Zealand before the sanctuary was established. This approach will help provide an indication of the health of bird populations in the sanctuary, with the goal of triggering further actions should unexpected changes occur. These surveys will be carried out four times a year.

Bird banding

Bird banding enables the Conservation team to identify individuals, allowing for effective monitoring of population dynamics. This year, 54 tīeke were banded, and the 800th kākā was banded in December as part of Dr. Rachael Shaw's studies on kākā intelligence. She hopes to find new ways to help species adapt to the environment outside predator free areas. Wellington City Council has now also begun banding birds such as tīeke in the halo, to determine survival of these birds outside the fence.

The ZEALANDIA halo

The Conservation team's work in the ZEALANDIA halo has included community education about the dangers for kākā health from feeding them novel foods. Feeding kākā items such as nuts and seeds can lead to a range of health problems, including metabolic bone disease which affects bone development. We have worked alongside Wellington City Council to promote the "don't feed the kākā" message and reports from vets on the causes of kākā deaths in the region have shown no signs of metabolic bone disease or lead poisoning this year. While there is still much to do this is an encouraging sign that the education initiatives being run in conjunction with Wellington City Council, Department of Conservation and Wellington Zoo are starting to have a positive impact on the kākā in our city and the messaging is being picked up by all sectors of the community.

TREASURING MAIMOATIA

Kohurangi reintroduction

Seedlings of the Kohurangi (Kirk's daisy, *Brachyglottis kirkii*)
Photo credit: ZEALANDIA.

In June 2017, the curating and conservation teams at the Wellington Botanical Gardens transplanted 50 seedlings of the Kohurangi (Kirk's daisy, *Brachyglottis kirkii*), as part of their conservation programme for this species. Kohurangi is a small shrub, classified as "declining –at risk" in the Wellington region due to possums eating the plants, and habitat loss. This is the first attempt to translocate this species into the wild after being grown in a nursery. The growth and survival of these plantings will be monitored on a regular basis.

Kirk's daisy transplanting. Photo credit: ZEALANDIA.

ZEALANDIA hosted a two-day Bioblitz event on February 2017 with 25 participating experts, and over 100 school students. The Bioblitz aimed to create a thorough list of living things within the sanctuary. Bryophytes, fungi and diatoms were surveyed for the first time ever inside the Sanctuary.

BioBlitz Go!

ZEALANDIA - 26 & 27 FEBRUARY 2017

Over the two days, we recorded:

- 268 species of vascular plants
- 204 species of invertebrates
- 158 species of diatoms (a type of algae)
- 129 species of bryophytes (this includes liverworts and mosses)
- 41 species of fungi
- 13 native species of birds
- 7 species of reptiles

Kākā can be spotted across much of Wellington. Photo credit: Judi Lapsley Miller.

SUSTAINING OUR VALLEY

Testing our biosecurity response

In November 2016 we mounted an 8-week precautionary biosecurity response following the earthquake and flooding that caused some minor damage to water outflow infrastructure. Traps, tracking tunnels and chew cards were deployed, allowing us to test our protocols as well as confirm our zero-incursion status.

Predator Free Wellington and our halo

Many birds bred in ZEALANDIA fly beyond the fence - kākā can be spotted across much of Wellington, and lucky residents in Highbury, Wrights Hill, and Brooklyn can occasionally spot a tīeke or hihi. Unfortunately there is a risk that these birds will be killed by predators beyond the fence. However, our community has rallied! The number of predators in our halo is now on the decline thanks to community groups and households participating in Predator Free Wellington and the Wellington City Council, which has facilitated 50 traps to be placed alongside the fence. This is a very exciting development, as it provides a safer environment for our dispersing birds and it also reduces the risk of predator incursion into the sanctuary.

The weed crew continue our 'War on Weeds'

Each year we employ a team of two people to tackle our weeds over the summer months. The team are dealing with as many as 123 environmental weeds and specifically targeted 29 for maintenance this season. This is a huge task, but one that is crucial to ensure we can build a healthy, sustainable ecosystem.

ENGAGING FROM LOCAL TO GLOBAL

CREATING INSPIRING, ACCESSIBLE EXPERIENCES

Every visitor to ZEALANDIA steps into an opportunity to enrich their understanding of nature, and inspire their personal commitment to action for living well with nature.

The proximity of ZEALANDIA to central Wellington, the ease of public transport and a free shuttle service, the diversity of native New Zealand flora and fauna at ZEALANDIA, and a valley rich in natural history makes ZEALANDIA a must for visitors to Wellington and Wellingtonians alike.

This year, ZEALANDIA hosted over 125,000 visitors, equivalent to 2015/16 despite our city being challenged by adverse weather conditions and the impact of a major earthquake. In 2016/17 there has been significant growth in Wellington as an international tourist destination with 89 cruise ships through Centre Port and Lions followers visiting in the last week of June. This resulted in significant growth in visitors to ZEALANDIA with General Admission entry up 7% from last year.

Twilight Walks at ZEALANDIA. Photo credit: Chris Helliwell.

Teaming up for Conservation Day. Photo credit: ZEALANDIA.

The Great ZEALANDIA Easter Egg Hunt.

ENGAGING
WHAI WĀHI

"Went to [ZEALANDIA] on the Wellington open day as I hadn't been before. What an incredible place and such a gem for Wellington. It was hugely informative and really interesting. The paths were well laid out and signposted and the bush views quite spectacular. It was great to see so many native birds in their natural habitat. The exhibition was also extremely educational and fascinating. Would totally recommend this experience for locals and visitors."

- ZEALANDIA Visitor

Conservation Week

To celebrate Conservation Week, ZEALANDIA held a gold coin Conservation Day event in September which was another key opportunity to showcase our unique flora and fauna, as well as the work of our conservation partners, to over 2,500 local residents.

Annual ZEALANDIA Easter Egg Hunt

We held another successful Easter Egg Hunt in April with over 3,000 attendees. The annual event encourages families to explore the sanctuary together, and take part in a fun and educational Easter Egg hunt for kids.

Open Weekend

In May 2017 over 4,300 visitors braved a wet and cold weekend to visit ZEALANDIA on our Open Weekend, held jointly with Wellington Zoo. Open Weekend, is an opportunity to create new relationships with members of our community, and provide them with an introduction to our extraordinary native flora and fauna, and inspiration for ***Living with Nature - Tiaki Taiao, Tiaki Tangata.*** This year we helped visitors learn more about the native birds that they are seeing around Wellington and what they can do to encourage and protect the birds that are now visiting their backyards.

ENGAGING
WHAI WĀHI

Wild Wellington

We continue to work with partner organisations, like Wellington Zoo to add visitor experience opportunities in Wellington. During the Lions Tour week in late June we had over 1,000 visitors with a high number from overseas providing international and domestic tourists opportunities to learn about New Zealand's unique flora and fauna.

The Welcome to Wild Wellington poster.

We are becoming internationally recognised as a leading destination for tourists to Wellington. In 2016/17, ZEALANDIA was rated as a top 5 Wellington visitor experience (Trip Advisor) and is receiving a growing amount of international media coverage, including being featured in four travel and conservation-based TV documentaries.

We are increasing our focus on how international visitors can experience ZEALANDIA. We have extended our tour offerings with the introduction of a ZEALANDIA By Day tour in December 2016. This has been taken up with enthusiasm. On the tour our visitors can see, learn and experience more of our conservation and restoration mission, and our successes in the first 20 years.

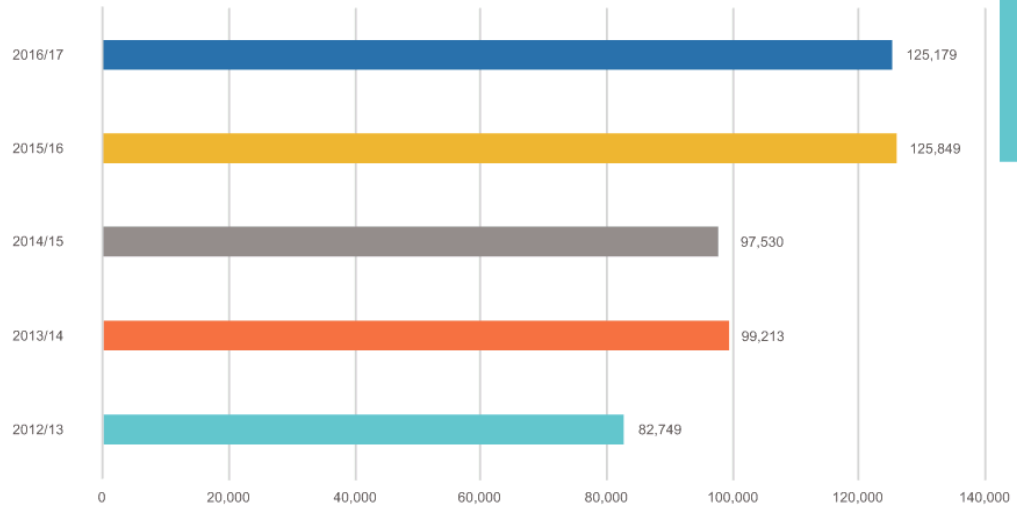
This year over 12,000 people experienced ZEALANDIA through a guided tour, with 1,144 visitors joining our new ZEALANDIA By Day tour.

"Watching, enjoying and experiencing New Zealand's most vulnerable and rare species of animals in a beautiful setting. All of this just around the corner of a major city. What a thrill to see Takahē, Saddlebacks and all the other animals so up close. Still getting goose bumps thinking about it."

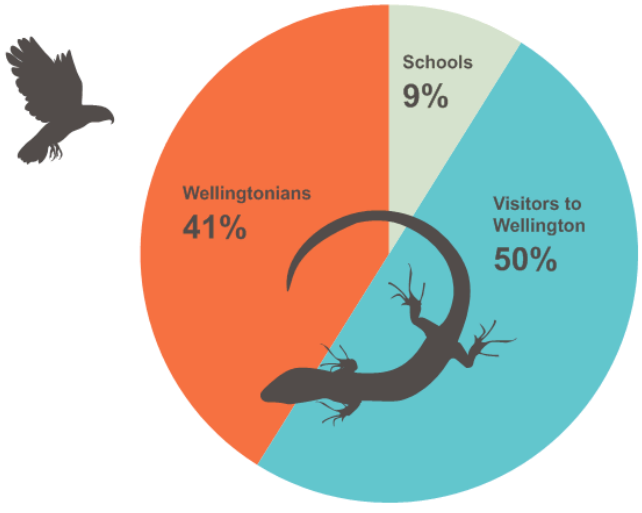
- ZEALANDIA Visitor

ENGAGING
WHAI WĀHI

Visitor numbers 2012/13 to 2016/17



Where do our visitors come from?



ENGAGING
WHAI WĀHI

More Accessibility for Everyone

Be. Accessible is a social change initiative and a holistic framework for accessibility with a mission to create a truly accessible country for everyone. In 2015/16 we were awarded the Be. Accessible Silver accreditation (up from Bronze in the previous year), and we are now working towards achieving Gold status through implementation of the recommendations in their last report. We have made a number of improvements to the Visitor Centre such as clearer markings at the tops and bottoms of stairs and decals on the glass doors to help them be seen more easily, as well as a dedicated accessibility page on our new website.

We have also made improvements in the valley including removing all of the high latches from the valley's internal gates following feedback that they could be hard to open.

In April we were the recipients of a very kind donation from The Salvation Army of a mobility scooter. The new scooter will improve accessibility to the valley for a number of our visitors.

Mobility Scooter. Photo credit: ZEALANDIA.

Our proactive approach to accessibility has led to us being invited to participate in a collaborative project between Local Government and Be. Accessible to develop and recognise Wellington as a centre of Excellence for Accessibility in New Zealand. Although it is good to celebrate progress, we know there is much work still to do on accessibility.

Connecting for Influence

We have a growing number of opportunities to connect with people who can turn ZEALANDIA's approaches and insights into wider national and global learning.

Over the last year we welcomed many influential visitors from around the world. Senior delegations from Los Angeles Parks and Gardens and Singapore Wildlife Reserves visited to learn about our operations and experience the valley. Other visits included: Dame Jane Goodall, British Primatologist; Dame Georgina Mace, International Ecologist and Conservationist; Prof. Norbert Lammert, President of the German Parliament; Sumitra Mahajan, Speaker of the Lok Sabha in the Parliament of India; the Singaporean High Commissioner and his wife and the Singaporean Foreign Minister's wife; and the Sri Lankan Prime Minister and Ministers, hosted by Minister Maggie Barry.

Closer to home, our connections with Canberra continue to grow with Gregory Andrews, Australian Threatened Species Commissioner visiting; exchanges between our Boards, researchers and staff through our MOU with the Woodlands and Wetlands Trust; and connections with the Canberra business community as part of 'Canberra in Wellington'.

"ZEALANDIA was fascinating for the native flora and fauna that has been restored, of course, but it is also a hopeful sign more generally, that nature can be healed with proper care. So the lessons of ZEALANDIA are applicable far beyond New Zealand."

Jeffrey Feltman, Under-Secretary-General for Political Affairs, United Nations

The Australian Threatened Species Commissioner, Gregory Andrews with Nicola Toki, New Zealand Threatened Species Ambassador. Photo credit: ZEALANDIA.

Dr Jane Goodall visit. Photo credit: ZEALANDIA.

ENGAGING
WHAI WĀHI

Telling Our Stories

The year in media started off well with the Prime Minister's announcement of Predator Free 2050 at ZEALANDIA in July.

Our impact in New Zealand's conservation was further reinforced with DOC's Director-General Lou Sanson, commenting on the Paul Henry Show.

"When we look at ZEALANDIA in Wellington, and those birds spilling out into that city, people waking up hearing kākā and tūī, we can see more birds in Wellington than we can in many of our national parks"

-Lou Sanson on the Paul Henry Show.

Banding our 800th kākā prompted even further nation-wide coverage across television, print, and radio, while the release of our juvenile tuatara into the sanctuary was covered by One News and local media.

Kākā at ZEALANDIA. Photo credit: Steve Attwood.

Predator Free 2050 Launch. Photo credit: Radio NZ.

"It's great to be here today, at the ZEALANDIA wildlife sanctuary in the heart of our capital city. It's an important place for New Zealand and it tells an important story."

"It shows that, as Sir Paul Callaghan said shortly before his passing, we can bring back our native wildlife to our main islands. This was once thought to be impossible, but ZEALANDIA has been remarkably successful in achieving its conservation goals, and inspiring many similar efforts around the country. New Zealanders should be incredibly proud of these efforts."

-Prime Minister Sir John Key at the launch of Predator Free 2050

ENGAGING
WHAI WĀHI

Learning about ecosystems in a special Wainuiomata Outreach trip.
Photo credit: Bill Beale.

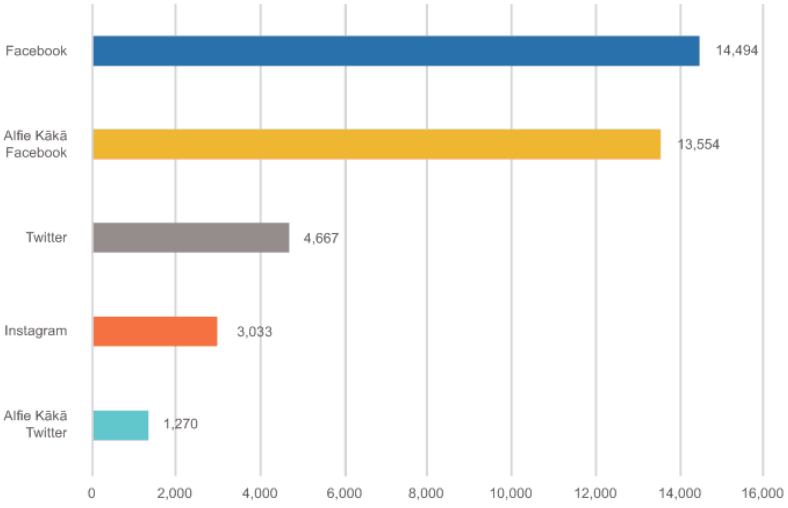
It was not just the wildlife capturing headlines, but our people too. Dr Danielle Shanahan, Manager of Conservation, Research, Learning and Experience had her research into the health benefits of nature highlighted across newspapers and academic publications across the world. Thirteen year-old George Hobson also featured in the press for his inspiring work as a ZEALANDIA Youth Ambassador.

We featured in a number of positive stories about our business and financial success in the Dominion Post, as well as coverage of our 20-year strategy, ***'Living with Nature - Tiaki Taiao, Tiaki Tangata'*** and winning a Green Ribbon Award for our work in education.

In the tourism sector, just under 100 international media stories featured ZEALANDIA as a key destination in New Zealand. The stories were featured across Asia, Australia, Europe, and the Americas.

We are also increasing our social media presence with now over 14,000 Facebook followers.

Social media followers



Alfie Kākā at ZEALANDIA.
Photo credit: Anita Kloezeman.

Hi - I'm Alfie Kākā - one of the founding kākā (bush parrots) at ZEALANDIA. Like all my kākā friends, I'm free to come and go as I please. When I'm not hanging round with my mates, I'm busy on the internetz skrarking and tweeting the latest gossip from the valley. (Alfie Kākā Facebook).

ENGAGING
WHAI WĀHI

NETWORKS FOR NATURE: LOCAL, NATIONAL AND GLOBAL

Forest at ZEALANDIA. Photo credit: ZEALANDIA.

Our partners enrich our programmes by lending support, expertise and resources, and they play a critically important role for biodiversity beyond the fence.

Nature Connections partnership

The Nature Connections partnership celebrated the way in which Wellington's eco-assets worked together to protect and promote the region's unique environment. Nature Connections was led by Wellington Zoo and ZEALANDIA. This collaborative project included Battle Hill Farm Forest Park, Department of Conservation, Kaitoke Regional Park, Matiu/Somes Island, Ngā Manu Nature Reserve, Otari-Wilton's Bush, Port Nicholson Block Settlement Trust, Pukaha Mt Bruce, Staglands Wildlife Reserve and Wellington Botanic Garden.

The Nature Connections programme developed the Wellington Wild Things Campaign, which ran from 2015 to 2017, and challenged local families to find 10 unique "Wild Things" hidden around the Greater Wellington Region. This successful campaign attracted over 11,700 active followers. The Nature Connections partnership provided facilitated learning for story telling for staff and volunteers across three years. In doing so, members of all organisations trained together and formed lasting personal relationships that will support the growth of

Sanctuary to Sea project

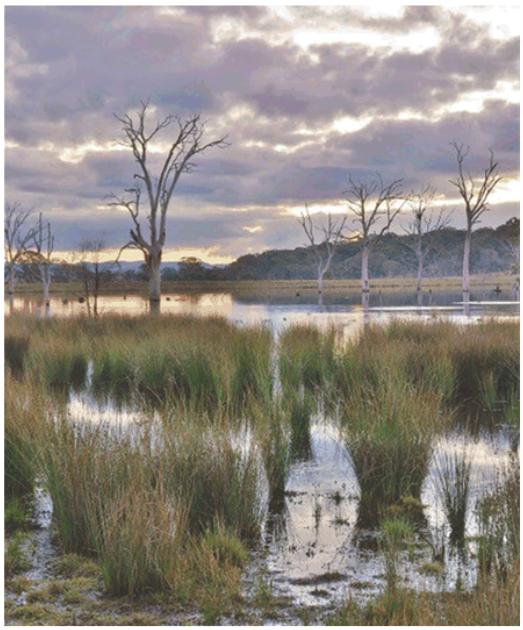
Our new Sanctuary to Sea project is a cutting-edge example of how people can come together to achieve great things. The vision is that the Kaiwharawhara catchment will become a healthy freshwater and forested ecosystem in an urban setting, with the project firmly founded in te ao Māori. The focus will be on enhancing fish habitats, riparian vegetation, and water quality. This project can only be achieved through a collaborative effort between community groups, iwi, government agencies, consultancies, and many more. Our interests in the project began as we started the planning process for rehabilitating our lower lake. This lake sits at the headwaters of one of the most intact streams in the Wellington City area, and as such it has high ecological value. Beyond the fence we intend to support the wider community to achieve great things – in ecological restoration, education and community engagement.

Our first community meeting for the Sanctuary to Sea project was well attended, with over 30 interested community partners. This project is now progressing with broad community support, as well as support from key stakeholders such as iwi, Greater Wellington Regional Council, Wellington Water, and the Wellington City Council.

Map of Kaiwharawhara Catchment Area.

ENGAGING
WHAI WĀHI

FROM BETTONGS TO KIWIS : PARTNERSHIP WITH WOODLANDS AND WETLANDS TRUST, CANBERRA



Mulligans Big Dam, Woodlands & Wetlands Trust Canberra.
Photo credit: Mark Jekobsons

Alison Russell French, Chair of Woodlands and Wetlands Trust visited ZEALANDIA in 2016. Photo credit: ZEALANDIA

A Memorandum of Understanding between the two organisations was signed in May 2016. Since then our relationship has been strengthening, and this year we had a number of exchanges, including:

- A visit by the Board members of the Woodlands and Wetlands Trust (WWT) to ZEALANDIA in September to coincide with the first Singapore Airlines flight into Wellington. The ZEALANDIA Chief Executive, Chair and another Board member were hosted by WWT in Canberra in November and held reciprocal meetings with the WWT Board, staff and key contacts
- A WWT staff member spent a week at ZEALANDIA learning about our marketing and communications work and drafting joint publicity material. This visit is the first staff exchange between the two organisations. This exchange has led to a number of new opportunities including joint promotion through the Intercontinental Hotel group, growing research relationships with Australian National University (ANU), and further staff exchanges
- This year two ANU researchers presented their research at separate lunchtime seminars at ZEALANDIA. Professor Adrian Manning discussed research and restoration and Kathy Eyles presented her PhD research on relationships between nature reserves and their urban neighbours and responsible pet management
- In March we also hosted Australian International Engagement Commissioner, Brendan Smyth and a delegation from Canberra as part of the rescheduled Canberra in Wellington week.

ENJOYING OUR VISITOR CENTRE

ENGAGING
WHAI WĀHI

The ZEALANDIA Visitor Centre provides a welcoming and vibrant hub for people to meet, eat and learn.

Rata Café offers modern cuisine with a conscience and a native twist. Our ethos is working with what nature provides to make delicious food and drink that is not only sustainable, but gives back to the earth. Bees from our donated beehive are now producing organic honey as well as pollinating local flora. A small group of volunteers ensure that the tables always have beautiful arrangements of native plants.

Rata-Beehives. Photo credit: ZEALANDIA.

Rata produces honey and jam. Photo credit: ZEALANDIA.

Abe (7) and Esther (5) enjoy Rata kids menu. Photo credit: ZEALANDIA.

Rata launched several health initiatives throughout the year. Our new Kid's Menu has been very popular, offering a selection of health-based options and earning an endorsement from Heart Foundation NZ and winning a Munch Food Award for the best kid's menu in New Zealand.

We have also been certified as a gluten-free venue through Coeliac New Zealand's Dining Out Guide.

We continue our ongoing sustainable and ethical good practise as recognised by Conscious Consumers.

Our meeting spaces in the Visitor Centre are extensively used by a range of education, governmental and community groups for workshops, seminars, conferences, AGMs and education courses.

Public Seminars at the Visitor Centre have included:

- *Engineering Conservation.* Michael Kerr (Beca Engineering) - June 2016
- *Discovering Ferns.* Dr Leon Perrie (Te Papa) - July 2016
- *Discovering Orchids.* Dr Carlos Lehnebach (Te Papa) - September 2016
- *21 years of bird counts.* Dr Colin Miskelly (Te Papa) - October 2016
- *The Changing Biodiversity of Wellington.* Jim Lynch – February & April 2017
- *Thin Ice: The Inside Story of Climate Science.* Prof. Peter Barrett – April 2016
- *Urban ecological restoration: the new frontier?* Prof. Bruce Clarkson – June 2017

LEARNING AT ALL AGES

EXCELLENCE IN RESEARCH

Victoria University of Wellington (VUW) partnership

This year has seen a significant expansion of the ZEALANDIA-VUW research partnership, having grown the number of university schools and faculties we engage with from 2 to 7. This approach is providing the foundation for the growth of our emerging interdisciplinary research programme, with students and academics hosted from Biological Sciences, School of Architecture, the Faculty of Engineering, Environmental Sciences, and the School of Management. The future growth of the partnership with VUW will be guided by a long-term research strategy now under development.

ZEALANDIA has been actively involved with the environmental science major in the BSc programme, School of Geography, Environment and Earth Sciences, Victoria University of Wellington. For example, Dr Shanahan (Manager Conservation, Research, Learning and Experience) is supervising undergraduate students who are taking the course ENSC 302/303 (Individual Study in Environmental Science). The course involves the students undertaking independent research in the field of environmental science, and is mandatory for the environmental science major. The students are combining field and lab work to ultimately produce an independent, novel piece of research on water quality in the Sanctuary. There is a great benefit to the students to be working with industry, as they get the opportunity to see how an external agency operates, and develop skills that they may not otherwise have in a University setting.

Other research relationships

A total of 27 research students and 8 academic staff have used the sanctuary as a research platform over the last year, coming from multiple disciplines and many different institutions. We have growing international and national collaborations, including with staff and students at the University of Otago, the University of Waikato, The University of Auckland, Massey University, Zoological Society of London (UK), University of New South Wales (Australia), Worcester Polytechnic Institute (USA), and the University of Queensland (Australia).

ZEALANDIA staff have increasing direct engagement with research. This includes giving presentations at key conferences such as the Biological Heritage Science Challenge "Crazy Ambitious" conference at Te Papa, and the joint New Zealand Ecological Society and Society for Ecological Restoration Australasia conference in Waikato. Furthermore, we have a growing engagement with internationally recognised research, for example, through our partnership with Waikato University and the MBIE People, Cities and Nature project led by Professor Bruce Clarkson. This project is exploring the extent of biodiversity in New Zealand cities, and the way people relate to this important cultural resource. The project involves collaborations across multiple universities, including Waikato, VUW, and Otago, as well as research institutions such as Landcare Research. We have also initiated international connections with the University of Exeter in the UK, and the Australian National University in Canberra. Although our research connections are growing, we believe that there is considerable untapped potential for ZEALANDIA to host integrated research in an urban context. Tight space constraints will, in the short term, limit our ability to grow this area of work.

LEARNING
ĀKONA

Thought Leaders Reference Council

To add to our international reach, the members of our Thought Leaders Reference Council come from across the globe. This group was established to support our second-generation (2016-2035) strategy aimed at enriching and extending ZEALANDIA's impact and contribution to New Zealanders ***Living with Nature - Tiaki Taiao, Tiaki Tangata.*** The first task for this group has been reviewing our draft research programme with Victoria University of Wellington. We are aiming for a face-to-face discussion over the next year to further develop our research focus.

This year Dr Lena Chang, the Director of the National Biodiversity Centre in Singapore, joined the group. Dr Chang brings cutting edge expertise of biodiversity in cities to the team. Other members include Ruud Kleinpaste ("The Bugman" and ecological consultant), Dr Timothy Beatley (American sustainable city researcher and author), Professor Iain McCalman (Australian author, historian and social scientist), Dr James Buwalda (Chair of the NZ Biological Heritage Science Challenge), and Professor Bruce Clarkson (University of Waikato's Deputy Vice-Chancellor Research). The Council is chaired by Emeritus Professor Charles Daugherty.

Map showing our national and international relationships in 2016/17 with partners, including students, interns, academics, and our Thought Leaders Reference Council.

Research on volunteering at ZEALANDIA

Lara Franco is a PhD student at the University of Queensland, Australia, co-supervised by ZEALANDIA's Dr Danielle Shanahan. Lara has been researching some of the causal factors that lead people to conservation action. This year Lara surveyed a number of our volunteers to explore the key predictors and motivations behind volunteering in different contexts at ZEALANDIA. Above is a wordcloud of the key motivations that emerged from the survey. The larger the phrase, the more important it was to our volunteers.

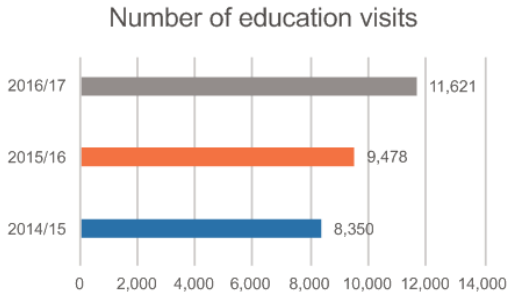
LEARNING
ĀKONA

ENCOURAGING LIFELONG LEARNING

Our education programme engages rangatahi (youth) from all backgrounds in active learning about ZEALANDIA and its place in conservation. The use of best-practice teaching techniques and resources has been central to the success of the programme.

This programme has a number of key priorities, including:

- Engaging students and whānau from low decile schools and areas
- Working with rangatahi from all backgrounds
- Engaging rangatahi in the science of restoration and translocations



Ongoing success of the programme

In 2016/17 we worked with 10,019 students, 738 teachers/leaders and 864 parents/whānau. This makes up over half of all environmental education sessions in the Wellington region. These engagements have come through a variety of programmes, including day visits, sleep overs, and outreach. These sessions can have a considerable impact on the young people that engage, providing a unique opportunity to experience New Zealand as it once was and how it can be in the future. In 2016/17, ZEALANDIA hosted nearly 1,200 student visitors from decile 1-3 schools.

The outcomes that arise through visits to the sanctuary are further fostered through our outreach sessions that work with young people on how to create places for nature in their own schools and special places. We also provide resources to schools and students all around Aotearoa to support learning further afield. This includes digital resources and the ZEALANDIA trading card game which was requested by and sent to over 200 schools during the last year. We hosted a Wellington Region Education Facilitators forum hui in January 2017.

In June 2017 we were honoured to receive the Green Ribbon Award from the Ministry of Environment for our work in education and communication. Our nomination was for our education outreach, youth ambassador programmes and also valley education. These programmes are outstanding in their reach, their vision, and their outcomes. The award reflects the quality of the ZEALANDIA environmental education programme, and the impact of reaching beyond the fence to inspire rangatahi across the region.

Social Science Learning Experiences Outside the Classroom (LEOTC) success

In 2016 we received a LEOTC grant for social sciences—this reflects the value placed on the programme by the Ministry of Education. This funding began on 1 January 2017, covering one full-time educator alongside resources to deliver programmes both inside and outside of the valley. This successful application highlights the national importance of ZEALANDIA in educating our youth about not only the science of conservation, but the social context of environmental work.

LEARNING
ĀKONA

Unlocking Curious Minds and Hutt Mana Trust work

We received our first grant from the Ministry of Business, Innovation and Employment (MBIE) Unlocking Curious Minds fund in February 2017. This programme has provided a unique experience for 284 students from the Wainuiomata area, teaching them about conservation issues and the science behind translocation.

CURIOUS MINDS
HE HIHIRI I TE MAHARA

We partnered with the Polhill protectors to provide a joint ZEALANDIA/Polhill visit for these young people, and focused their learning on the dispersal of tīeke (saddleback). Students used technology to record observations of tīeke such as band identification, gender and behaviour, providing special training for our next generation of citizen and professional scientists.

Our Unlocking Curious Minds work is helping make ZEALANDIA accessible for young people from lower decile schools. We are also boosting this effort to connect with New Zealanders from all backgrounds with support from the Hutt Mana Trust.

Feedback from students and teachers shows a real improvement in their knowledge and understanding of the conservation of our native manu (birds) and other wildlife, but also of their ability to make a change themselves and be kaitiaki in their own backyards. Of those students surveyed, 87.8% knew more about our native flora and fauna since joining the project and 76.9% felt that they could do more to help protect their native wildlife. Before the project started, 22% had never considered a career in science, but after the programme, 90.2% would potentially consider a career in science after seeing how fields such as biology and ornithology related to the protection of our plants and animals.

Hon Paul Goldsmith launches the MBIE Unlocking Curious Minds funding.
Photo credit: ZEALANDIA.

LEARNING
ĀKONA

Youth Ambassadors

Our Youth Ambassador programme provides an opportunity for young people to be engaged in conservation in a meaningful way that not only benefits themselves but other rangatahi around them. Through the success of the programme over the last two years other organisations in the region have now set up similar programmes. As we look forward, a key success of this programme will be collaborating with other likeminded organisations in the area. In July 2017 the first collaboration of youth ambassadors and educators will be held at Rotokare Sanctuary and will mark the first of many collaborative hui of youth ambassadors, educators and whānau.

Innovative Education toolkits

The ZEALANDIA trading card game continues to grow. At the end of June 85,000 cards are now being used to engage and inspire rangatahi in schools and households with a fun way of learning about our native species. We are working with several other conservation organisations to further spread this game as an educational resource. The Ornithological Society New Zealand has funded 100 sets for schools around New Zealand, Forest and Bird will send a new set of cards to all their Kiwi Club coordinators and the resource will also be promoted through Young Birders NZ.

Maz from Wainuiomata Primary holds up his forest bird collection. Photo credit: Adi Rowell.

Wellingtonian of the Year Finalist Education

We are extremely proud of Darren van Hoof, our Lead Ranger Education and Youth, who was a finalist for Wellingtonian of the Year in 2016. Darren demonstrates unique vision and innovation in his approach to environmental education, using tools such as trading cards that inspire youth through games. Darren's leadership of the Education team has supported the growth of the programme, which now engages over 11,500 kids (and grown-ups) per year in conservation.

Green Ribbon Award winner: Darren Van Hoof, Lead Ranger Education and Youth. Photo Credit: Neil Mackenzie.

EXPRESSING MĀTAURANGA MĀORI

LEARNING
ĀKONA

Our 20 year strategy firmly states our commitment to developing a clear perspective and plan on how we will integrate te ao Māori and mātauranga Māori into all aspects of our organisational planning, activities and way of doing things.

To inform and enable our next steps we commissioned a cultural audit during 2016/17. The resulting report has provided an extremely helpful analysis of what we are doing reasonably well and where there are gaps, along with essential pointers to guide us as we look ahead. Further, detailed planning, will be undertaken in 2017/18.

Whilst we acknowledging that this is a long-term project, we have sustained or made progress in a number of areas, including:

- We have emerging relationships with outstanding researchers who focus on the Māori world view, and dovetailing mātauranga Māori and western science approaches.
- In 2016/17 we supported a summer scholar from the Landscape Architecture School at Victoria University Wellington (VUW) to consider design methods for urban green spaces to engage Māori in the natural world. This focused on the freely accessible area outside in Birdwood Reserve, and developed into a broader Masters project where the student has focused on the entire Kaiwharawhara catchment.
- Looking forward, in early 2017/18 we will recruit a new senior manager (for Learning and Engagement) with responsibilities including leadership of te ao Māori and mātauranga Māori. We are also providing opportunities for staff and volunteers to engage in Te Reo courses, foster meaningful connections with iwi and cultural integration through the visitor and education experience.
- We will also develop a wider plan that aims for full integration. Discussions are underway to establish what the programme will look like, including required resources and key timeframes. This project intends to start the process of embedding te ao Māori and mātauranga Māori in our organisational culture, starting by establishing learning platforms for staff and volunteers, developing stronger relationships with local iwi, and developing clear plans for an integration pathway.

Aerial valley of ZEALANDIA. Photo credit: Rob Suisted.

EMPOWERING: ACTION INVOLVES ALL OF US

OUR PARTNERS

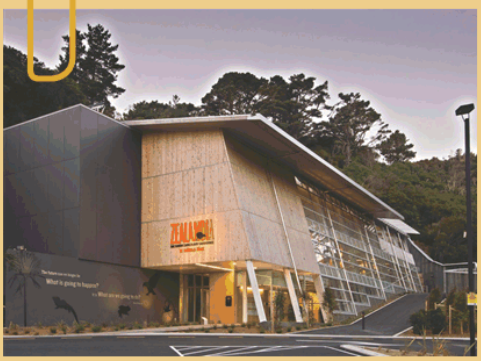
We partner with local conservation organisations such as the Polhill Protectors, Forest and Bird, and the Department of Conservation (DOC) to broaden our overall impact.

Our close partnership with Wellington City Council (WCC) is another pivotal relationship. WCC provides financial support through an annual grant, and we enjoy an increasingly close working relationship across all aspects of WCC planning for increased tourism, shaping our city as a desirable place to live, and as an internationally leading, nature-rich capital.

The relationship with Conservation and Parks staff at WCC is very strong and continues to grow as ZEALANDIA and WCC staff work increasingly closely together to develop new projects and responses to the Predator Free Wellington announcement in September.

Our partnerships with Wellington tourism operators are an important part of our success in attracting more international and domestic visitors. Wellington Regional Economic Development Agency, the i-Site team and Wellington City Volunteer Ambassadors are great advocates for ZEALANDIA. This year 30 Wellington Ambassadors and concierge staff from several Wellington hotels experienced ZEALANDIA By Day and ZEALANDIA By Night tours – helping them to encourage visitors to experience ZEALANDIA.

As a community-based organisation, we rely on the generous support of a wide range of individuals and organisations from within our extended community. The ongoing support through grants, donations, bequests, subscriptions, technical advice and other in kind donations is absolutely critical to our ongoing success, and we would like to thank all our major sponsors and supporters.



Visitor Centre. Photo credit: Paul McCredie.

The Visitor Centre sale and ownership transfer to Wellington City Council, and the repayment of the associated loan, was completed on 7 October 2016 and we would like to thank all Councillors and Council Officers for their strong support in this process. The transfer is an important step in deepening the practical partnership with WCC and ensuring that we are well positioned as a sustainable, long term contributor to Wellington's continued growth as an exciting, vibrant and liveable city.

OUR SUPPORTERS

EMPOWERING
WHAKAMANAHIA

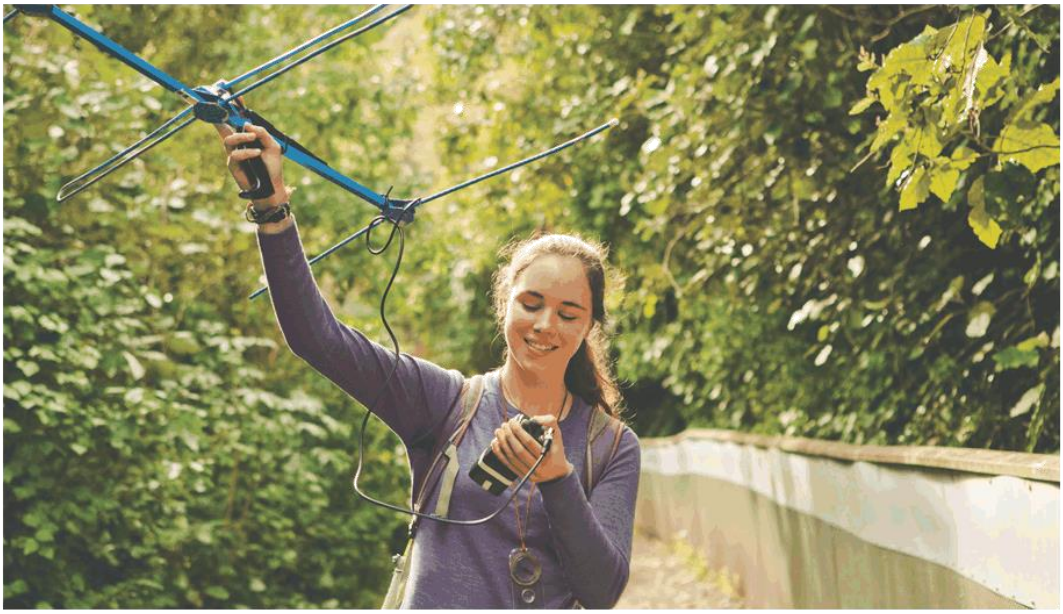
Collins Family

Some families just shine when it comes to enabling the mission of ZEALANDIA and supporting the future of conservation in New Zealand. The Collins family is a noteworthy example. Margaret and Jim Collins were ZEALANDIA foundation members, and eager volunteers in the early days. More recently they made a generous investment in New Zealand's future conservation leaders through a substantial donation which supports an annual Collins Family Scholarship. This scholarship is awarded to honours, Masters or PhD students who are undertaking research relevant to furthering conservation in the sanctuary and Wellington as a whole. Margaret explains "The scholarship was originally established with the aim of inspiring more people to study conservation science". The donation has now had an impact on many student's lives, and will continue to do so in the future.

Donations and sponsorship appeals continue to be important to the sanctuary. We could not have built the fence or taken on many of the conservation projects without the generosity of others supporting our 500-year vision. In 2016/17, we raised over $158,000 from member and public donations that directly supported our important conservation work. These donations and over $134,000 of bequests make so much possible.

Bequeathing a gift is one of the ways people can support ZEALANDIA. These special donations allow us to continue our conservation work for generations to come. We would like to acknowledge and sincerely thank those people and their whānau for their generosity in choosing to support ZEALANDIA.

The Hutt Mana Charitable Trust grant provided transport funding that allowed 604 students to visit ZEALANDIA through the Hutt Mana Bush Explorers programme. This programme allows low decile students to have a unique experience within the valley.



Collins Family Scholarship Recipient, Ellen Irwin, tracking kākāriki . Photo Credit Peta Mazey.

EMPOWERING WHAKAMANAHIA

WE ALSO WISH TO OFFER OUR SINCERE THANKS TO THE FOLLOWING FOR THEIR GENEROUS SUPPORT IN 2016/17:

Principal Funder and Strategic Partner

Absolutely Positively Wellington City Council
Me Heke Ki Pōneke

Strategic Partners

Victoria University of Wellington · Department of Conservation Te Papa Atawbai · Wellington Tenths Trust · Nature Connections · Woodlands & Wetlands Trust — Caring for our local ecosystems

Founding Supporters

NZ Lotteries Grants Board
Todd Corporation & Todd Foundation
Greater Wellington Regional Council
Keith Taylor Charitable Trust
The Fletcher Trust
The Community Trust of Wellington

Kākā (Gold) Supporters

Russell McVeagh
New Zealand Community Trust

Tūi (Silver) Supporters

The Holdsworth Charitable Trust
R&D Evans Charitable Trust
W.N Pharazyn Charitable Trust
Stout Trust

Hihi (Bronze) Supporters

Noel & Joanna Todd
The Kinsky Family Trust
Karori Brooklyn Community Trust
The Lion Foundation
Nature Heritage Fund
Trusthouse
Ministry of Tourism
The Fleming Family
The Pacific Development & Conservation Trust
Pub Charity

Community Supporters

The Rotary Club of Karori
Karori Lions Club
Forest & Bird
The Combined Rotary Clubs of Wellington

Business Supporters

Go Wellington
Centaman System
Beca
The Dominion Post
Designwork
Tuatara Breweries
Kaimira Estate Wines
Fletchers Construction
Morphum Environmental
Steam & Sand

Other Supporters

Ngāti Kuia
Ngāti Pāoa
Te Kawerau ā Maki
Ngāti Manuhiri
Ngāi Tahu
Ngāti Toa
Ngāti Koata
Te Ati Awa ki Whakarongotai
Port Nicholson Block Settlement Trust
MetService
Ministry of Education
Woolyarns Ltd
Dorothy L Newman Charitable Trust
Endangered Species Foundation
Sally Gray
Weta Digital
WWF-New Zealand
Ernst & Young
Massey University
Waikato University
Landcare Research
Wellington Zoo
Museum of Wellington Te Papa Tongarewa
Techsoup/Microsoft
Wellington Botanical Society
Birds New Zealand (OSNZ)
PricewaterhouseCoopers
Harbour City Security
Hyve Communications
A.J Wills
Hutt Mana Charitable Trust
Greater Wellington Regional Council

Business Goes Bush & Corporate Members

Bolton Hotel
Tregaskis Brown
Kenex Knowledge Systems
Intergen
Leadership Matters Ltd

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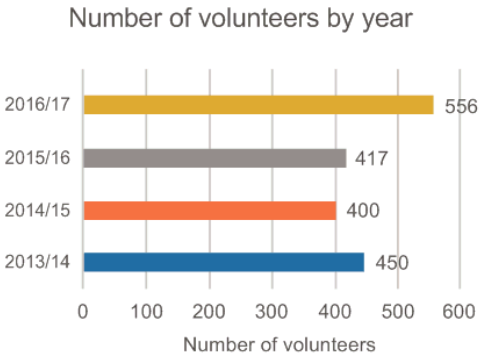
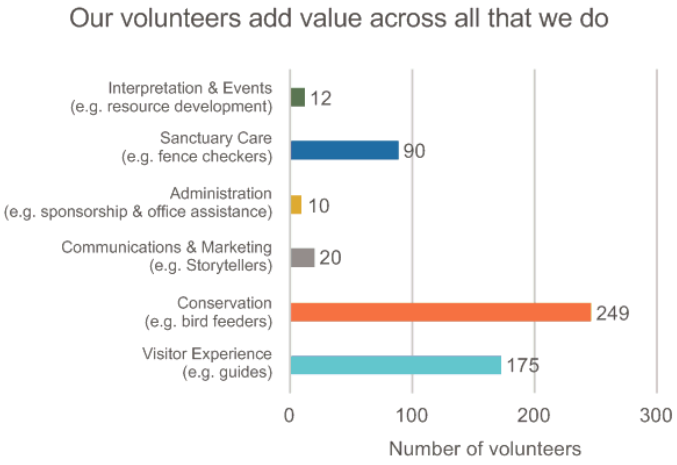
EMPOWERING
WHAKAMANAHIA
Little spotted kiwi at ZEALANDIA.
Photo credit: Simon Woolf.

EMPOWERING
WHAKAMANAHIA

OUR VOLUNTEERS

Volunteer training at ZEALANDIA. Photo credit: Judi Lapsley Miller.





At the end of June 2017 we had 556 active volunteers, including 490 fully trained volunteers and 66 in training. We are constantly exploring new opportunities for volunteering at ZEALANDIA and currently have a waiting list of 133 applicants ready to move into new roles. Volunteers are central to our organisation, adding value to every aspect of ZEALANDIA through roles such as guiding, weeding, feeding the birds, monitoring nest boxes, fence checking, and story telling, to mention just a few. Over the last year we welcomed more volunteers to work alongside our staff in the office on tasks such as developing our sponsorship programme and gathering information for our Sanctuary to Sea project.

Conservation volunteers put in an incredible effort, taking care of our flora and ensuring once again that our birds received supplementary food for 365 days of the year. This effort is absolutely critical to our conservation success. For example, the Area 2 work team put in extraordinary effort into fostering the vegetation enhancement of part of the sanctuary, and the volunteers who feed hihi ensure the ongoing provision of sugar water to support the growth of the population. This year we monitored a total of 98 hihi through the combined efforts of staff and volunteers. These are just two examples of the ways that volunteers support the sanctuary mission.

Voice of a volunteer

"Because where else do you get to feed two of only 306 birds left in the world?! The looks on people's faces when you point out a tuatara to them, or help them identify a bird they've specifically come to see. It's the constant learning you undertake as a volunteer, and sharing that knowledge with the next group you guide. It's the good vibes you get from knowing you're contributing to something that will exist long after you're gone. Everyone is there to help, to educate, to entertain, and to further the knowledge of those who come to visit Zealandia."

-Amy Hodgkinson.

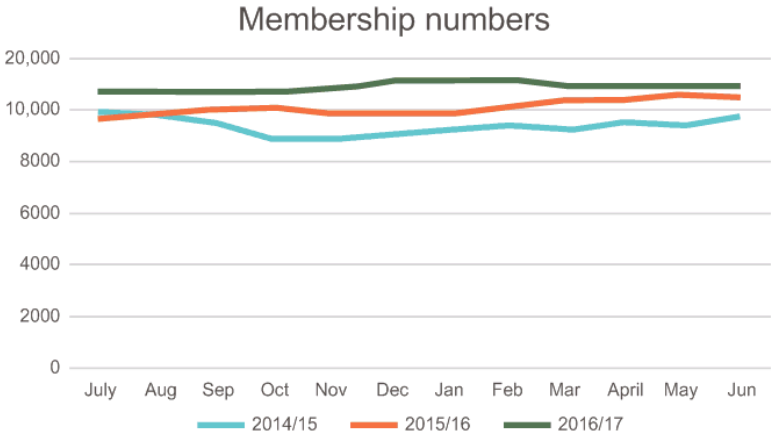
EMPOWERING
WHAKAMANAHIA

Volunteer Chris Gee recieves an award. Photo credit: ZEALANDIA.

The Volunteer Appreciation Dinner provides an important opportunity to recognise, acknowledge and celebrate the significant milestones, achievements and contributions of our ZEALANDIA team members through a range of awards, recognising excellence across all areas of the organisation.

Our Faye Schaef Award is given in memory of a long-term volunteer with a real passion for ZEALANDIA. The 2016 recipient was Chris Gee, who exhibits the qualities and characteristics that Faye embodied: kindness, generosity, modesty, dedication, friendliness and approachability.

OUR MEMBERS



Our membership has grown from 9,680 in June 2015 to 10,944 in June 2017. Our members are involved in every element of the organisation: visiting, volunteering, supporting our holiday programmes, contributing generously to fundraising efforts and spreading the word about all the work we do. ZEALANDIA gained 372 members during the year. Our members are absolutely vital to ZEALANDIA and we thank them for their continuing support.

EMPOWERING
WHAKAMANAHIA

OUR MANAGEMENT AND STAFF

We are fortunate to attract outstanding staff, and this year's great results are testament to the passion, dedication and hard work of the ZEALANDIA team.

In July 2017 we farewelled Russ Drewry (Manager Sanctuary Care and Preservation) who has been part of the ZEALANDIA family for nearly 10 years. Russ started in 2007 as a Facilities Officer and has worked in a number of key roles including Acting Chief Executive. Russ has left a lasting legacy including championing sustainability across ZEALANDIA with the introduction of solar panels and electric vehicle charging stations, along with achieving carbon neutral certification for the organisation. We thank Russ for his strong contribution over the years.

Russ Drewry.
Photo credit: ZEALANDIA.

During the year we welcomed Dr Danielle Shanahan (Manager Conservation, Research, Learning and Engagement), Chris Fitzgerald (Manager Commercial Development) and Matthew Valentine (Manager Corporate Services) to the ZEALANDIA senior management team.

Looking ahead, we are developing exciting new opportunities for staff to further their professional development. This will include staff exchanges with partner organisations such as the Woodlands and Wetlands Trust in Canberra.

OUR APPRENTICES AND INTERNS

The Conservation team welcomed eight local and international interns (including four from VUW) who contributed over 2,500 volunteer hours to conservation work in the sanctuary this year. These interns have assisted the team in achieving work such as the annual mouse control operation, and have also applied their expertise on project-based work. These projects range from supporting the development of the Sanctuary to Sea project, to revisiting the Northern rātā experiment that was established in the sanctuary. Each intern also had the opportunity to work alongside highly skilled rangers to learn practical skills in the application of conservation science that will empower them in their future careers both locally and internationally.

The Education team have hosted three interns over the past year, including two who were part of the international Higher Education Consortium for Urban Affairs programme. This programme also has a practical and academic component requiring the interns to research and present on aspects of the organisation.

We also welcomed Callum Shaw as the new Sanctuary Care apprentice in August 2016. Callum is working towards his National Certificate in Parks and Reserves through Skills Active.

Ineka Wynia working on the Northern rata project. Photo credit: ZEALANDIA.

"I was an intern at ZEALANDIA for twelve weeks, from April to July 2017. This internship was part of my Applied Ecology programme in the Netherlands. My main project focussed on the Northern rātā. They were planted in the sanctuary both on the ground and as epiphytes, and I tracked them down them to see how they were doing. Unfortunately many of the seedlings had not survived since the last monitoring, but this research is important for informing management. It was really exciting to find the host trees, which was extremely challenging – a lot like trying to find a tree in the forest! Even better when we found living Northern rātā seedlings on them!" **(Ineka Wynia)**

GOVERNANCE: THE BOARD AND GUARDIANS

The Board met nine times in 2016/17, including a full day strategy session hosted by our supporters Russell McVeagh. The Board carried out an evaluation and review exercise with external input, to refresh and enhance Board processes. A major focus for the Board this year was finalising the ***Living with Nature - Tiaki Taiao, Tiaki Tangata*** strategy, and supporting its implementation in 2017. The Board also completed arrangements for the sale of the Visitor Centre building to the Council, and the repayment of the outstanding loan. In conjunction with this exchange, the Board worked with the Council and the Guardians to shape changes to the Trust Deed. The Trust became a Council Controlled Organisarion (CCO) in early October 2016, reflecting the strong and continuing partnership with the Council.

EMPOWERING WHAKAMANAHIA

Pam Fuller. Photo credit: ZEALANDIA.

Pam Fuller's term as a Trustee ended on 30 June 2017. The effort, passion and knowledge that Pam brought to this role is widely appreciated. Pam will remain an active volunteer with the sanctuary, and we will continue to ensure her botanical knowledge is captured!

Following a collaborative process involving the Guardians and Wellington City Council, Pete Monk has been appointed as a Trustee from July 2017. He brings experience in tourism-related marketing from senior management and governance perspectives.

The Guardians

Roy Sharp became the Chair of the Guardians in October 2016 with Jim Lynch remaining a Guardian in his capacity as Vice-Patron. Jim's input as Chair of the Guardians from early 2013 to 2017 was significant and highly valued. The Guardians awarded the first Honorary Memberships to Pam Fuller and Andy Foster in recognition of their valuable and sustained contribution to the objectives of the Karori Sanctuary Trust. Peter Gilberd was appointed to the Guardians by WCC, and Kevin Mason, John Burnett and Katie Underwood (re-elected) were elected as member representatives. Mike Britton completed his term as a member elected Guardian and was warmly thanked for his input, as was Helene Ritchie who completed her term as Council appointed Guardian.

The Guardians met four times during the year and provided key input into ***Living with Nature - Tiaki Taiao, Tiaki Tangata*** before it was launched in December 2016. The final few months of the year focused on working with WCC who appointed Pete Monk as Trustee from 1 July 2017. The Guardians continue to work with the Board Chair and Chief Executive on approaches to monitoring achievements in the long-term.

MAKING ZEALANDIA SUSTAINABLE FOR THE LONG TERM

FINANCIAL SUSTAINABILITY

We became a Council Controlled Organisation (CCO) in October 2016 following changes to the Trust Deed which accompanied the finalisation of the Visitors Centre sale and ownership transfer to Wellington City Council (WCC), and the full repayment of the loan to Council. We are on-track to achieve debt free status in 2019 once we make our final repayment of the Wellington Community Trust loan for the ZEALANDIA fence.

Revenue (excluding WCC grant) has grown from $3,326,860 in 2015/16 to $3,589,696, an 8% increase. This growth in revenue, combined with careful management control of expenditure has allowed us to continue our financial recovery by delivering a second year-end net operating surplus (before the loss on disposal of Visitors Centre) of $87,670 in 2016/17.

Key achievements

More than 125,000 people visited ZEALANDIA this year helping us to record our highest ever Paid Admissions of $1,323,196, an increase of 15% on last year.

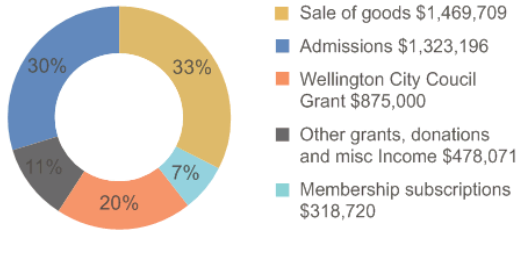
In 2016/17, the Wellington City Council (WCC) grant contributed 20% of total Trust revenue, down from 26% in 2013/14.

Average revenue per visitor has increased from $26.03 in 2015/16 to $28.01 in 2016/17 (against a target of $25.96).

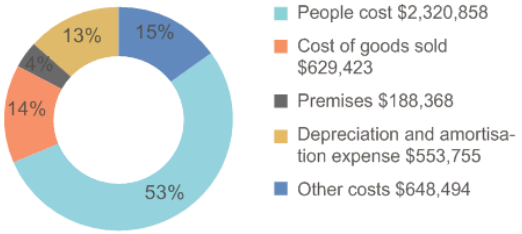
The cost per visitor has decreased from $11.34 in 2015/16 to $11.23 in 2016/17 (against a target of $16.91)

The Trust has now achieved a sustainable financial position, with a working capital buffer of $781,639 at 30 June 2017, which is an increase from last year's position of $333,375. The Trust's objective is to continue to build working capital to support organisational resilience and enable reinvestment in key strategic projects.

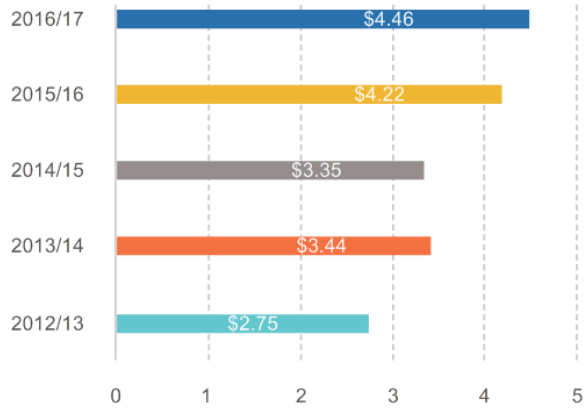
Sources of income 2016/17



Operating Expenses 2016/17



Total Income $m



Net operating surplus/(deficit) before extraordinary items	
Year	$
2016/17	87,670
2015/16	107,892
2014/15	(511,349)
2013/14	(1,373,375)
2012/13	(1,698,643)

EXCELLENCE IN HEALTH AND SAFETY

We are committed to promoting a positive health and safety culture through all our systems and processes, and by improving the training we deliver to our staff and volunteers.

19 STAFF AND VOLUNTEERS ATTENDED FIRST AID TRAINING

We are taking an active role in ensuring the safety of ourselves, colleagues and all visitors by putting in place effective policies and sound management and Board reporting in this area.

The wellbeing of our workers remains a top priority for us and in December we signed up to Employee Assistance Programme (EAP), a confidential counselling service offered by many workplaces, to ensure all of our staff have a free and confidential place to turn if they are experiencing any personal or work related difficulties. Staff are also offered free annual flu vaccinations.

In 2016 we introduced our new Volunteer Information IT system, Better Impact, which records key health and safety data and has enabled real improvements in volunteer training planning and course monitoring.

Our Health and Safety Committee has focused on achieving even better risk management which has led to improvements in our policies around drones usage, visitors becoming lost in the valley and working with vulnerable adults and children.

At ZEALANDIA, everyone is accountable for health and safety and this culture has led to an increase in the practice of reporting potential hazards to enable improvements to be made before incidents occur, delivering a better and safer environment for us all.

ENVIRONMENTAL SUSTAINABILITY

The 2016/17 year started well for sustainability at ZEALANDIA following our second successful CarboNZero audit maintaining our high data quality score and showing a whopping 8 tonne reduction in emissions from our base year 2014/15.

To build upon this success further work has been done to minimise energy use including retrofitting all lights in the Visitor Centre and other buildings to LED equivalents, and the installation of three new heat pumps in the staff buildings to provide a better work environment in the most energy efficient way. Following trials of using new electric tools to carry out maintenance work in the valley we have replaced our petrol lawn mower, blower and one of our chainsaws with the electric counterparts, reducing noise, emissions and use of fossil fuels.

During the year we demonstrated further our leadership in the area of sustainability by installing 45 solar panels capable of generating 12KW of electricity, and three Electric Vehicle (EV) charging stations in partnership with Wellington City Council and Wellington Electricity. This initiative has doubled the number of public charging stations available in Wellington and has been very well received by the growing community of EV owners. By using the power generated by the solar panels, the charging of EV's and our electric tools is energy neutral. We are now looking to replace ZEALANDIA's office vehicle with an EV to reduce our carbon footprint even further.

Launch of EV charging stations. Photo credit: ZEALANDIA.

Solar PV Panels Installed. Photo credit: ZEALANDIA.

The focus for the end of this year and onward to 2017/18 is waste minimisation. We have been supporting "Misprint", a project to turn single sided, non-confidential paper in to notebooks, and rolled out new colour-coded waste and recycling bins from award winning Wellington designers "Method Bins" to help visitors process their waste responsibly.

Method Recycling Bins. Photo credit: ZEALANDIA.

We are also working with the Boomerang Bags group by collecting material for them and selling bags to support their work. We have also just signed up to a new initiative from the Sustainability Trust which will help us identify improvements in in our waste stream management.

OUR INFRASTRUCTURE

Following basic refurbishment of our office accommodation at numbers 31 and 37 Waiapu Road over the last two years we are now exploring our space requirements for the longer-term as our ZEALANDIA whānau grows and we reach capacity in our existing buildings. We have a significant number of researchers, interns and volunteers wanting to join us, but suitable building space is a barrier to growing the essential capacity and capability needed for the future. We have been investigating options which would provide room in the short term to house all ZEALANDIA staff and volunteers as well as some researchers and interns, while developing other options to give us space to grow beyond this.

Aerial view of the valley. Photo credit: Rob Suisted.

Long Term Capital Plan

Our Long Term Capital Plan (2017- 2026) was lodged with Wellington City Council in June. This plan sets out ZEALANDIA's intended capital investment plans over the next 10 years towards strengthening our contribution to Wellington as a world-leading city to live, work, learn and visit.

We will be doing further work on the plan, feeding into Wellington City Council's Long Term Planning process later in 2017.

PERFORMANCE REPORTING

2016/17 STATEMENT OF INTENT TARGETS

Rare tuatara at ZEALANDIA. Photo credit: Brendan Doran.

Non-financial Performance Measures

Measure	Actual	Target
Visitation	125,179	93,600
Education Visits (LEOTC, Tertiary, Early Childhood, School Holiday Programme)*	11,621	8,500
Members (Individual Members)	10,944	10,400
Volunteers numbers	556	>400
Volunteer Satisfaction Survey	94%	>80%
Percentage of Satisfied Visitors above City Benchmark*	N/a	N/a

* This survey will not be completed in 2016/17. For 2017/18 it will be replaced by the new "Percentage of Satisfied Visitors" measure.

Financial Performance Measures

Measure	Actual	Annual Target
Full cost per visitor (including WCC costs)	$11.23	$16.91
Average subsidy per visit (Total WCC operating grant/all visitors)	$6.99	$9.35
Average revenue per visitation (excludes Council & Government grants)	$28.01	$25.96
Non-Council Donations/Funding	$419,019	$250,000
Net surplus before depreciation and tax **	$641,425	$312,000
Commercial revenue as a % of overall budget	71%	50%
Membership subscription revenue	$318,720	$300,000

** The Net surplus before depreciation and tax excludes Loss on Asset Disposal

Tieke (saddleback) at ZEALANDIA.
Photo credit: Brendan Doran.

Conservation Measures

Conservation Measures	Actual	Annual Target	Details
Restore missing species to the wild in accordance with ZEALANDIA's Restoration Strategy			
New animal species transferred	0	1	Tītipounamu translocation postponed two weeks prior to completion date due to new data indicating a significant decline in the source population.
Number of transferred animal species being actively managed in the wild. * Active management includes supplementary feeding, nestbox and roostbox management and excludes species held in captivitiy.	10	10	Hihi, takahē, kākā, bellbird, kākāriki, Maud Island frog, giant wētā, long-fin eel, little spotted kiwi, pāteke.
Number of animal species in the wild actively monitored (assuming 1 new species transferred/ annum) *Includes species with ongoing active data collection.	19	10	Hihi, kākā, bellbird, kākāriki, little spotted kiwi, tīeke, tūī, whitehead, North Island robin, silvereye, grey warbler, fantail, kererū, kingfisher, bush falcon, tuatara, spotted skink, giant wētā, cave wētā.
Percentage of transferred animal species regarded as self-sustaining (assuming ongoing management)	76%	68%	13 of 17 translocations have been successful in establishing a self-sustaining population. Two transfers failed (tomtit and weka) and two are not yet self-sustaining (bellbird and long-fin eel).
Maintain or Improve the population status of nationally threatened species present			
Number of threatened species present and breeding successfully	4	4	Fauna: Hihi and Maud Island frog. The Conservation Status of New Zealand birds was updated in 2016. North Island kākā and pied shag, which had previously been listed as threatened, were reclassified as 'recovering' – in part due to conservation efforts at ZEALANDIA. Flora: 7 threatened plant species reintroduced to date into the sanctuary, of which 2 are known to successfully flower and fruit.
Manage species held for captive breeding purposes to ensure they remain healthy and breed successfully			
Number of species of held for captive breeding	2	2	Wellington green gecko, Maud Island frog.
Monitor animal status, control mice and successfully respond to any incursions			
Mice maintained at levels below or similar to previous years (abundance per 100 trap-nights)	3.4	<10	Year average 3.4 (range 0 – 7.6 mice per 100 trap-nights)
Percentage incursions successfully eradicated	N/A	100%	No incursions identified.
Monitor plant pest status and reduce distribution of weeds (currently 123 species) within and near perimeter			
Number of pest plant species actively controlled or surveyed	73	44	44 environmental weeds have been identified as priorities.
Number of pest plant species where control has achieved a decline to low levels of infestation in the sanctuary	120	52	Control was also undertaken in the Halo for key species to improve feasibility of ongoing suppression inside the fence.

Measures against Strategy Areas

MEASURE against Strategy Areas	TARGET 2016-17	ACTUAL 2016/17
Build flourishing biodiversity in the valley and halo		
Assist in the restoration of healthy landscape scale ecosystems through active collaboration in community partnerships wherever appropriate.	Begin detailed, integrated planning for the restoration of the lower valley streams, wetland and lake.	A thorough scoping document has completed for this project, and will be developed into a long term strategy in partnership with community members, iwi, researchers, WCC, GWRC and Wellington Water.
Continue the transfers of missing species, to increase natural diversity in accordance with the Restoration Strategy 2000.	Plan and undertake a translocation (rifleman). Begin the ground work needed to evaluate the population health and management requirements of saddleback.	The rifleman translocation will not occur this year but we are working with partners for a possible translocation in the future. Feather samples and banding of saddleback has occurred for genetic analysis of the population.
Develop a knowledge hub for transformation		
Develop a long-term programme of research and research partnerships to provide an evidence base for our future activity and advice and contribution to others.	Develop, agree and initiate implementation of plans for the establishment of an urban ecology research centre in partnership with Victoria University of Wellington.	The joint Steering Committee has now submitted its final report and recommendations. A Thought Leaders Group has been established to develop a strategic plan for a long-term, integrated research programme. ZEALANDIA is now engaging directly with 7 schools or departments at VUW, up from 2.
	Develop and agree plans for a long-term, integrated research programme.	2016 has seen the establishment of important new relationships that will provide the foundation for the research programme. The Thought Leaders Group have provided feedback on a draft research strategy.
Develop pathways for thought leadership based on enhanced understanding of our unique natural heritage.	Establish a ZEALANDIA Thought Leaders Reference Council, and a Research Advisory Group to provide direct guidance on the content of our research programme.	The Thought Leaders Group has been established with eight leading figures to-date expressing significant enthusiasm to be part of this group. Members come from New Zealand, Australia, USA and Singapore.
Strengthen people's capability for achieving a nature rich future		
Develop effective partnerships with restoration groups and strengthen community engagement in all that we do.	ZEALANDIA increasingly recognised as the "go to" centre for information on restoration.	ZEALANDIA is providing leadership in new restoration efforts, for example, through the halo project which is now gaining momentum. ZEALANDIA also contributes to Predator Free Wellington as part of the Technical Advisory Group, and is increasingly seen as a hub for information and expertise on restoration.
Obtain funding to increase opportunities for decile 1-3 schools to either visit ZEALANDIA or their 'special place'	Increased school visits, particularly decile 1-3; includes visits to the sanctuary and visits to schools or their "special places" by education staff.	We received Hutt Mana Charitable Trust and Unlocking Curious Minds funding to enable low decile students, teachers and whānau to visit ZEALANDIA. This was followed up by outreach work in their communities.

MEASURE against Strategy Areas	TARGET 2016-17	ACTUAL 2016/17
Strengthen people's capability for achieving a nature rich future		
Aim for 50% of all schools within the Kapiti/ Porirua/Hutt Valley/Wellington area to have tracking and trapping as a normal part of their school programme, resulting in enhanced biodiversity in their area by 2020.	Increased number of schools with tracking and trapping as a normal part of their school programme (from 20 in 2015/16 to 30 in 2016/17).	The number of schools involved to date in tracking and trapping in the region has increased to twenty-three.
Sustain exemplar volunteer programmes that enrich and strengthen community, nature and people's lives.	Increased number of opportunities for volunteers to work in the sanctuary.	The number of opportunities for volunteers has diversified to include a range of tasks from conservation (e.g. the new transect clearance group) to grants administration.
Develop programmes of placements, internships and work that grow skills and experiences for young people.	ZEALANDIA has become the key hub for interns, enabling them to work with restoration groups as well as within the sanctuary; this will enhance their experience and support sharing of expertise and knowledge between the sanctuary and groups in the "halo".	A new ZEALANDIA internship programme has been launched, with a minimum of two hosted at any one time. We have begun a programme of sharing the hosting responsibilities for interns with Otari Wilton's Bush.
Create outstanding and accessible experiences that inspire to action		
Enrich and strengthen the valley experience to equip more visitors to make active choices for nature rich communities.	Visitor numbers – 93,600 separate visitations with breakdown of visitor demographics.	Achieved. We have had 125,179 visitors in 2016/17 (34% above target).
	8,500 education visitors	Achieved. We have had 11,621 education visitors in 2016/17 (37% above target).
	Visitor experience – ZEALANDIA achieves a satisfied visitor rating of 92% or greater.	Achieved with 95% in 2016/17
Grow our connections with members as ambassadors for nature in Wellington	> 400 volunteers	556 volunteers contribute to all areas of our operations.
	> 80% of volunteers are satisfied with their relationship with ZEALANDIA.	Achieved with 94% of volunteers are satisfied with their relationship with ZEALANDIA
Grow practical options to promote the health, well-being and wider advantages of connections with nature.	Continue to improve accessibility and work to attain the Be. Accessible Gold rating.	We have been asked to be part of a Be.Accessible initiative to enable Wellington to become a centre for exemplar practices in accessibility. Following our move from the Be.Accessible Bronze accreditation to Silver in 2015 we have been working to make improvements which will allow us to achieve our Gold status.
Grow our influence and alliances for living well with nature		
We will undertake our Kaitiakitanga responsibilities through enhanced partnerships with Māori. A strong and comprehensive relationship with Māori, at mana whenua, iwi and national level, remains of primary importance to ZEALANDIA and we will develop closer relationships during 2016/17. We recognise that Mātauranga Māori, indigenous knowledge, is a key part of the evidence base that will be needed to underpin our work far into the future.	Capability developed to enable closer partnerships with iwi and integration of Mātauranga Māori	We are currently developing our plan for the next financial year, and identifying key ways we will incorporate Mātauranga Māori.

MEASURE against Strategy Areas	TARGET 2016-17	ACTUAL 2016/17
Grow our influence and alliances for living well with nature		
We will grow our partnership with Victoria University in the creation of an urban ecology research centre. We will also establish a Thought Leaders Reference Council and Research Advisory Group.	Partnership with Victoria University agreed and formalised.	A research programme is now in development with VUW (led by Dr Nicola Nelson).
	Plans for an urban ecology research centre agreed and under implementation.	The joint Steering Committee has now submitted its final report and recommendations. A Thought Leaders Group has been established to develop a strategic plan for a long-term, integrated research programme. ZEALANDIA is now engaging directly with 7 schools or departments at VUW, up from 2.
	Thought Leaders Reference Council established	The Thought Leaders Group has been established with eight leading figures to-date expressing significant enthusiasm to be part of this group. Members come from New Zealand, Australia, USA and Singapore.
Sustain infrastructure, finances, people and communication that fuel our purpose		
Sustain infrastructure, finances, people and communication that fuel our purpose	A net surplus before depreciation and tax of $312,000.	The net surplus before depreciation and tax (and loss on assets) is $677,553 for 2016/17
	Commercial revenue equating to 50% of overall budget.	Achieved with commercial revenue equating to 71% of overall income mainly due to higher than expected Retail and Café sales and also Admissions revenue
	10,400 members.	Achieved. We have 10,944 members as at 30 June 2017 (5% above target).
	Membership subscriptions $300,000.	Achieved. We received $318,720 of membership subscriptions in 2016/17 (6% above target)
	Full cost per visitor (including WCC costs) $16.91	Achieved with a Full cost per visitor of $11.23 due to the impact of achieving 34% above target visitor results in 2016/17
	Average WCC subsidy per visitor $9.35	Achieved with an average WCC subsidy per visitor of $6.99 due to the impact of achieving 34% above target visitor results in 2016/17
	Average revenue per visit $25.96	Achieved with an average revenue per visit of $28.01 due to better than budgeted commercial revenue including higher retail sales and admissions for the year.
	Non-Council Donations/Funding $250,000	Achieved with Non-Council Donations/ Funding income of $419,019 in 2016/17

FINANCIAL STATEMENTS

KARORI SANCTUARY TRUST (INC.) FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2017

	Note	2017 $	2016 $
Operating Revenue			
Membership Subscriptions		318,720	298,183
Wellington City Council Grant		875,000	875,000
Other Grants and Donations		407,019	453,452
Admissions		1,323,196	1,151,221
Sale of Goods		1,469,709	1,387,645
Other		39,151	36,359
Total Operating Revenue		**4,432,795**	**4,201,860**
Other Revenue			
Finance Income		31,901	20,942
Total Operating Revenue and Other Revenue	2	**4,464,696**	**4,222,802**
Operating Expenses			
Cost of Goods Sold		629,424	596,770
Other Operating Expenditure	3	3,093,375	2,872,017
Trustee Remuneration	10	91,000	81,250
Depreciation and amortisation expense	5,6	553,755	541,356
Finance Costs		9,472	23,517
Total Operating Expenses		**4,377,026**	**4,114,910**
Operating Surplus/(Deficit)		**87,670**	**107,892**
Loss on disposal of Visitor Centre	8	(306,484)	
Surplus/(deficit)		**(218,814)**	**107,892**
Other comprehensive revenue		-	-
Total Comprehensive Revenue and Expense		**(218,814)**	**107,892**

Statement of Changes in Equity for the year ended 30 June 2017

	2017 $	2016 $
Accumulated Funds at Beginning of Year	**4,071,522**	**3,963,630**
Net Comprehensive Revenue and Expenses	(218,814)	107,892
Accumulated Funds at End of Year	**3,852,708**	**4,071,522**

The accompanying notes on pages 54 to 63 form an integral part of these financial statements.

Statement of Financial Position for the year ended 30 June 2017

	Note	2017 $	2016 $
Current Assets			
Cash and Bank		229,906	240,619
Term deposit		1,200,000	700,000
Accounts Receivable	4	45,699	41,319
Prepayments		8,169	37,894
Stock on Hand		44,206	44,664
GST Refund		-	4,525
Assets held for sale		-	9,560,532
Total Current Assets		**1,527,980**	**10,629,553**
Non-Current Assets			
Property, plant and equipment	5	3,111,639	4,648,938
Intangible Assets	6	27,763	43,740
Total Non-Current Assets		**3,139,402**	**4,692,678**
Total Assets		**4,667,382**	**15,322,231**
Current Liabilities			
Accounts Payable and Accruals		326,338	308,980
GST to pay		4,595	-
Community Trust Loan	7	100,000	108,333
Accrued Holiday Pay		109,447	106,501
Unearned Subscription Income		205,961	211,833
Total Current Liabilities		**746,341**	**735,647**
Non-Current Liabilities			
Community Trust Loan	7	68,333	168,373
Wellington City Council Loan	8	-	10,346,689
Total Non-Current Liabilities		**68,333**	**10,515,062**
Total Liabilities		**814,674**	**11,250,709**
Net Assets		**3,852,708**	**4,071,522**
Equity			
Accumulated funds		**3,852,708**	**4,071,522**

The Board of Trustees authorised the financial statements for issue on;

Chair: Trustee:

Date: 29 August 2017 Date: 29 August 2017

The accompanying notes on pages 54 to 63 form an integral part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2017

	Note	2017 $	2016 $
Cash Flows from Operating Activities			
Cash was provided from:			
Membership Subscriptions		312,848	319,376
Grants and Donations		1,267,325	1,328,452
Admissions and Other Revenue		2,842,369	2,552,736
Interest Received		31,901	20,942
Total		**4,454,443**	**4,221,506**
Cash was applied to:			
Payments to Suppliers and Employees		(3,727,182)	(3,530,064)
Net GST (Payment) / Receipt		9,120	(2,381)
Total		**(3,718,062)**	**(3,532,445)**
Net Cash Flows from Operating Activities	9	**736,381**	**689,061**
Cash Flows from Investing Activities			
Cash was applied to:			
Purchase of Plant, Equipment & Other Assets		(129,249)	(131,907)
Investment in term deposits		(4,200,000)	(1,050,000)
Receipt from maturity of term deposits		3,700,000	600,000
Net Cash Flows from Investing Activities		**(629,249)**	**(581,907)**
Cash Flows from Financing Activities			
Cash was applied to:			
Interest Paid		(9,472)	(23,517)
Repayment of Loan	7	(108,373)	(231,627)
Net Cash Flows from Financing Activities		**(117,845)**	**(255,144)**
Opening Cash		240,619	388,608
Net Decrease in Cash		**(10,713)**	**(147,989)**
Closing Cash		229,906	240,619

The accompanying notes on pages 54 to 63 form an integral part of these financial statements.

Statement of accounting policies

i. Statement of compliance and basis of preparation

Statement of compliance

The financial statements presented here are for the reporting entity, the Karori Sanctuary Trust. The Trust is a charitable trust registered under the Charities Act 2005 which requires compliance with generally accepted accounting practice (GAAP) in New Zealand.

As the primary objective of the trust is to develop a secure native wildlife sanctuary which benefits the community, rather than making a financial return, the trust is a public benefit entity for the purpose of financial reporting.

The financial statements of the trust comply with Public Benefit Entity standards Reduced Disclosure Regime (PBE RDR).

The financial statements have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied. The trust is eligible to report in accordance with Tier 2 PBE Standards RDR because it does not have public accountability and it is not large.

Basis of preparation

The financial statements have been prepared in accordance with PBE RDR for not-for-profit organisations as required by the Financial reporting Act 2013.

Management has applied judgement in determining whether revenue streams have been appropriately classified as exchange or non-exchange in nature.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Measurement base

The financial statements have been prepared on a historical cost basis.

The financial report is measured in New Zealand dollars and all values are rounded to the nearest dollar ($) unless otherwise stated.

ii.Recognition of revenue

Grants are recognised as revenue when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement have not been completed are carried as liabilities until all the conditions have been fulfilled. Revenue received from membership subscriptions is allocated proportionally over the period to which they relate. The unearned portion of subscriptions is shown under current liabilities. Prepaid visits are also treated as current liabilities.

Sales of goods and admissions comprise the amounts received and receivable for goods and services supplied to customers in the ordinary course of business. This revenue is recognised when the goods or services are provided to the customer.

Exchange revenue is defined as transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to another entity in exchange. Revenue streams defined as exchange are membership subscriptions, admissions, sales of goods, other grants and donations (received for specific projects) and some items of other revenue.

Non-exchange transactions arise where an entity receives value from another entity without giving approximately equal value in exchange. Revenue streams defined as non-exchange are the Wellington City Council grant as well as other grants and donations and items of other revenue that are not included under exchange transactions.

Interest income is accounted for as earned.

In the financial statements, there is no financial recognition of support given in the form of donated labour and materials.

iii.Cost of goods sold

Cost of goods sold comprises the purchase of stock items and other directly attributable costs relating to the Café, Retail, Functions and Education services.

iv. Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the entity.

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of the fixed asset or intangible asset. Such cost includes the cost of replacing part of the asset if the recognition criteria are met. When significant parts of the asset are required to be replaced at intervals, the entity recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the fixed asset as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

Statement of accounting policies

Measurement subsequent to initial recognition:

Subsequent to initial recognition, Property, plant and equipment and intangible assets are measured using the cost model.

v.Depreciation and amortisation

Depreciation of Property, plant and equipment and amortisation of intangible assets is calculated on a straight-line basis so as to allocate the cost of the assets over their useful lives as follows:

Building/Infrastructure	5-100 years
Exhibitions	2-20 years
Leasehold improvements	10-50 years
Predator fence	25-50 years
Fixtures, Plant and Equipment	5-25 years
Vehicles	5-14 years
Other Assets	3-25 years
Computer Software	3 years

vi.Accounts Receivables

Accounts receivable are stated at anticipated realisable value after providing against debt where collection is doubtful.

vii.Stock on Hand

Stock on hand comprise of retail and food and beverages. They are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis.

viii.Leased Assets

As Lessee:

Operating leases

Operating lease payments are recognised as an expense in the periods the amounts are payable.

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases where the Trust is the lessee are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

ix. Impairment

Property, plant and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognized in the surplus or deficit.

x.Employee Entitlements

Employee entitlements to salaries and wages, annual leave and other benefits are recognised when they accrue to employees.

The liability for employee entitlements is carried at the present value of the estimated future cash outflows.

xi.Goods and Services Tax (GST)

The financial statements have been prepared so that all components are stated exclusive of GST with the exception of receivables and payables that include GST invoiced.

xii.Income Tax

The Trust being a charitable organisation is income tax exempt under the Income Tax Act 2007.

xiii.Statement of Cash Flows

The following are the definitions of the terms used in the statement of cash flows:

(a) Operating activities include all transactions and other events that are not investing or financing activities.

(b) Investing activities are those activities relating to acquisition, holding and disposal of property, plant and

equipment and of investments.

(c) Financing activities are those activities that result in changes in the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash.

(d) Cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts.

xiv.Changes in accounting policies

There have been no changes in accounting policies in the year.

2. Operating Revenue

	2017 $	2016 $
Revenue from exchange transactions:		
Sale of goods and services	3,196,040	2,912,355
Grant revenue	69,263	71,786
Revenue from non-exchange transactions:		
Grant revenue	895,477	934,221
Bequests	134,420	217,448
Gifts, Donations	137,595	66,050
Total Operating Revenue	**4,432,795**	**4,201,860**

3. Operating Expenditure

	2017 $	2016 $
Administration and Management	68,154	128,183
Personnel Costs	2,320,859	1,914,704
Fees to auditor		
- fees to PwC for audit	34,385	29,650
- fees to PwC for other services	-	3,690
Other Operating Expenditure	669,977	795,790
Total Operating Expenditure	**3,093,375**	**2,872,017**

4. Accounts Receivable

	2017 $	2016 $
Total receivables comprises:		
Receivables from the sale of goods and services (exchange transactions)	45,699	41,319
	45,699	**41,319**

5. Property, plant and equipment for the year ended 30 June 2017

	Trust Buildings	Exhibition Centre	Leasehold Improve-ments	Predator Fence	Fixtures, Plant and Equipment	Vehicles	Other Assets	Total
COST								
As at 1 July 2016	3,489,397	3,631,443	1,132,006	2,457,633	555,165	167,948	777,915	12,211,507
Additions at cost	5,518	29,615	-	-	57,596	10,439	26,081	129,249
Disposals	(2,003,259)	(21,674)	-	-	(65,026)	-	-	(2,089,959)
As at 30 June 2017	1,491,656	3,639,384	1,132,006	2,457,633	547,735	178,387	803,996	10,250,797
ACCUMULATED DEPRECIATION								
As at 1 July 2016	1,453,868	3,107,775	497,737	1,521,497	302,818	111,913	566,960	7,562,569
Depreciation charge	42,777	261,043	54,648	95,231	32,299	13,499	38,282	537,778
Disposals	(910,619)	(19,203)	-	-	(31,367)	-	-	(961,189)
As at 30 June 2017	586,026	3,349,615	552,385	1,616,728	303,750	125,412	605,242	7,139,158
NET BOOK VALUE	**905,630**	**289,769**	**579,621**	**840,905**	**243,985**	**52,975**	**198,754**	**3,111,639**

The disposal of Trust Buildings relates to the Retaining Wall that was transferred to Wellington City Council as part of the sale of the Visitors Centre.

Additional information regarding the sale of the Visitors Centre, classified as held for sale as at 30 June 2016, is disclosed in Note 8.

5. Property, plant and equipment for the year ended 30 June 2016

	Trust Buildings	Exhibition Centre	Leasehold Improve-ments	Predator Fence	Fixtures, Plant and Equipment	Vehicles	Other Assets	Total
COST								
As at 1 July 2015	13,690,465	3,612,889	1,132,006	2,457,633	524,014	163,155	751,934	22,332,096
Additions at cost	1,600	18,554	-	-	31,151	4,793	29,765	85,863
Disposals	-	-	-	-	-	-	(3,784)	(3,784)
Held for sale	(10,202,668)	-	-	-	-	-	-	(10,202,668)
As at 30 June 2017	3,489,397	3,631,443	1,132,006	2,457,633	555,165	167,948	777,915	12,211,507
ACCUMULATED DEPRECIATION								
As at 1 July 2015	2,038,369	2,853,382	441,903	1,426,266	273,721	99,380	536,416	7,669,437
Depreciation charge	57,635	254,393	55,834	95,231	29,097	12,533	32,436	537,160
Disposals	-	-	-	-	-	-	(1,892)	(1,892)
Held for sale	(642,136)	-	-	-	-	-	-	(642,136)
As at 30 June 2016	1,453,868	3,107,775	497,737	1,521,497	302,818	111,913	566,960	7,562,569
NET BOOK VALUE	**2,035,529**	**523,668**	**634,269**	**936,136**	**252,347**	**56,035**	**210,955**	**4,648,938**

6. Intangible Assets for the year ended 30 June 2017

	Computer Software	Total
COST		
As at 1 July 2016	47,936	47,936
Additions at cost	-	-
Disposals	-	-
As at 30 June 2017	**47,936**	**47,936**
ACCUMULATED DEPRECIATION		
As at 1 July 2016	4,196	4,196
Amortisation	15,977	15,977
Disposals	-	-
As at 30 June 2017	**20,173**	**20,173**
NET BOOK VALUE	**27,763**	**27,763**

6. Intangible Assets for the year ended 30 June 2016

	Computer Software	Total
COST		
As at 1 July 2015	-	-
Additions at cost	47,936	47,936
Disposals	-	-
As at 30 June 2016	**47,936**	**47,936**

ACCUMULATED DEPRECIATION		
As at 1 July 2015	-	-
Amortisation	4,196	4,196
Disposals	-	-
As at 30 June 2016	**4,196**	**4,196**
NET BOOK VALUE	**43,740**	**43,740**

7. Community Trust Loan

The Trust received a loan of $1,500,000 in 1999 from the Community Trust of Wellington to fund the construction of the predator fence with the Wellington City Council as a guarantor for this loan. Repayment commenced in 2005/6 over a 15 year period. Interest payments commenced in 2004/5. The interest for the current year was $9,472 (2016: $23,517) and the rate was 4.34% (2016: 5.00%). We expect the loan to be repaid in full during the 2018/19 financial year.

8. Wellington City Council Loan

During the year, the sale of the Visitors Centre and associated assets was finalised to the Wellington City Council (WCC). The proceeds from the sale of the Visitors Centre have been utilised as repayment of the WCC loan. Ownership of the assets was transferred to WCC in exchange for release from all obligations associated with the interest free limited recourse loan originally provided to the Trust by WCC to assist with the development of the Visitor Centre. The difference between the value of the Visitors Centre and associated assets and the amount of the loan was recorded as a loss on sale in the Statement of Comprehensive Revenue and Expense.

As part of the sale transaction the Trust signed an agreement to lease the Visitors Centre back from the Council for an initial 10 year term with the option for the Trust to extend the lease in 10 year increments in perpetuity. Annual rental of the Visitors Centre is $1 if demanded. The lease arrangement has been accounted for as a finance lease under PBE IPSAS 13, resulting in an immaterial asset and lease liability being recognised in the financial statements.

9. Reconciliation of Cash Flow Statement

Reconciliation of net cashflow from operating activities with operating surplus

	2017 $	2016 $
Net Surplus/(Deficit) from Operations	**(218,814)**	**107,892**
Adjustments		
Depreciation and amortisation	553,755	541,356
Loss on disposal of fixed assets	342,612	
Interest Paid	9,472	23,517
Movements in Working Capital Items		
Decrease / (increase) in GST Receivable	9,120	(2,381)
Decrease / (increase) in Stock on Hand	458	1,714
Decrease / (increase) in Accounts Receivable and Prepayments	25,345	(60,384)
(Decrease) / Increase in Income in Advance	(5,871)	21,193
(Decrease) / Increase in Accounts Payable from Operations	20,304	56,154
	49,356	**16,296**
Net Cash Flow from Operating Activities	**736,381**	**689,061**

10. Related Party Transactions

During the year, the following material related party transactions occurred.

	2017 $	2016 $
Related Party Transactions:		
Grants from Wellington City Council	875,000	875,000
Fee for payroll services provided by Wellington City Council	9,000	9,000
Rental expense paid to Wellington City Council	29,189	14,129
Year End Balance of Wellington City Council Loan	-	10,346,689

	2017 $	2016 $
Key management personnel compensation:		
Leadership team remuneration	546,630	375,786
Full-time equivalent members	5	5
Board remuneration paid to Trustees	91,000	81,250

Key management personnel are defined as the Board of Trustees, the Chief Executive and their direct reports.

11. Lease Commitments

i.ZEALANDIA land and Trust offices

The Trust is a party to an agreement with the Wellington City Council and Wellington Regional Council for the transfer of ZEALANDIA land and its ultimate lease to the Karori Sanctuary Trust. The Current Deed of Lease is dated 8 January 2013. The Trust also leases its office building from the Wellington City Council.

ii.Photocopier and EFTPOS terminals

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2017 $	2016 $
Within one year	22,899	27,488
Later than one year but not later than five years	4,147	21,558
Later than five years	-	-
	27,046	**49,046**

12. Capital Commitments

As at 30 June 2017, there are no capital commitments (2016: none)

13. Contingent Liabilities

There are no contingent liabilities as at 30 June 2017 (2016: none).

14. Post balance date events

There are no post balance date events which affect these financial statements (2016: none).

Independent auditor's report

To the readers of the Karori Sanctuary Trust (Inc.)'s financial statements and performance information for the year ended 30 June 2017.

The Auditor-General is the auditor of the Karori Sanctuary Trust (Inc.) (the 'Trust'). The Auditor-General has appointed me, Chris Ussher, using the staff and resources of PricewaterhouseCoopers, to carry out the audit of the financial statements and performance reporting of the Trust on his behalf.

Opinion on the financial statements and the performance reporting

We have audited:

- the financial statements of the Trust on pages 51 to 61, that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date, the statement of accounting policies and the notes to the financial statements that include other explanatory information; and
- the performance reporting of the Trust, comprising the 2016/17 statement of intent targets, on pages 45 to 50.

In our opinion:

- the financial statements of the Trust:
- present fairly, in all material respects:
- its financial position as at 30 June 2017; and
- its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with the New Zealand Public Benefit Entity Reduced Disclosure Regime.
- the performance reporting of the Trust presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2017.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance reporting are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance reporting. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance reporting. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance reporting, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements and performance reporting in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the appropriateness of the reported performance information within the Trust's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and in the performance reporting; and
- the overall presentation of the financial statements and the performance reporting.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance reporting. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance reporting.

Responsibilities of the Board of Trustees

The Trustees are responsible for the preparation and fair presentation of financial statements for the Trust that comply with generally accepted accounting practice in New Zealand. The Trustees are also responsible for preparation of the performance reporting for the Trust.

The Trustee's responsibilities arise from the Local Government Act 2002.

The Trustees are responsible for such internal control as it determines is necessary to enable the preparation of financial statements and the performance reporting that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements and the performance reporting, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance reporting and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Other Information

The Board of Trustees is responsible for the other information. Our opinion on the financial statements and performance reporting does not cover the other information and we do not, and will not, express any form of audit opinion or assurance conclusion thereon. At the time of our audit, there was no other information available to us.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work on the other information that we obtained prior to the date of our auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Trust.

Chris Ussher
On behalf of the Auditor-General Wellington, New Zealand

PricewaterhouseCoopers

DIRECTORY

Trustees:
Denise Church QSO, Chair
Phillip Meyer FAIM, Life FNZIM, CF Inst D, F Fin, Deputy Chair
Professor David Bibby CNZM, PhD, DSc
Pam Fuller BA – to July 2017
Russell Spratt
Steven Thompson

Guardians to October 2016:
Jim Lynch QSM (Chair)
Mike Britton
Hannah Buchanan
Andy Foster
Dr Nicola Nelson
Helene Ritchie
Roy Sharp
Katie Underwood

Guardians from October 2016:
Roy Sharp (Chair)
Hannah Buchanan
John Burnett
Jim Lynch QSM
Katie Underwood
Kevin Mason
Dr Nicola Nelson
Peter Gilberd

Chief Executive
Paul Atkins

Senior Management
Russ Drewry
Chris Fitzgerald
Dr Danielle Shanahan
Matthew Valentine

Karori Sanctuary Trust (Inc.)

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ZEALANDIA Lower Lake.
Photo credit: ZEALANDIA.

ZEALANDIA, Karori Sanctuary Trust (Inc.)
PO Box address
53 Waiapu Road
Karori, Wellington
Phone: 04 920 9200
+ 64 (4) 920 9213
info@visitzealandia.com
www.visitzealandia.com
ZEALANDIA is a registered charity (CC21900)
ZEALANDIA

Annual Report

2016/17

Wellington Cable Car Limited Annual Report has been prepared to provide readers with an overview of the position of the company to date.

Wellington Cable Car Limited

Phone: 04-473-2721
Fax: 04-473-2710

Address:
30 Glover St, Ngauranga,
Wellington

Website: www.wellingtoncablecar.co.nz
Email: admin@wellingtoncablecar.co.nz

Wellington Cable Car Limited

Annual Report
For the year ended 30 June 2017

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Wellington Cable Car Limited

Chairman's Report
For the year ended 30 June 2017

Wellington Cable Car Limited (WCCL) is a small Council Controlled Organisation (CCO) but its impact on the public transport and tourism sectors in Wellington is significant. The successful completion of the Cable Car electric drive project highlighted the ability of the company to deliver challenging projects that have transformed service delivery, despite the small size of the Company. The tourism sector in Wellington remains buoyant and the Company is experiencing continued passenger growth, year-on-year, which is really encouraging.

WCCL is one of a small number of exempt public transport providers in New Zealand. This prevents the Company receiving public transport subsidies, and it also limits the amount of funding that is received for the SuperGold scheme, both of which impact upon the Cable Car's long-term financial viability. Negotiations continue with the Ministry of Transport, Wellington City Council (WCC), Greater Wellington Regional Council (GWRC) and the New Zealand Transport Agency (NZTA) as to a preferred funding strategy. This is particularly important for the replacement of the rolling stock which is required in the next 8-10 years.

Support to Trolley Bus operations has continued apace whilst the Company worked in conjunction with GWRC and WCC to plan the overhead electrical network decommissioning, with the aim of causing as little disruption to the public as possible. This will ultimately end the Company's (and its predecessors) support to Trolley Buses and Trams in Wellington. The ongoing efforts of the Company's staff throughout this period has been outstanding and highlights their enduring professionalism and dedication.

The Company is proud of its public ownership legacy and it is important to us that we continue to provide first class levels of public transport service in an ethical and sustainable fashion. There are many challenges ahead but this also provides opportunities for change in public transport provision; particularly technological.

Finally, thank-you to all our staff for their outstanding efforts over the past year. The Company is also grateful for the ongoing support and patronage of Wellington residents and visitors.

Anthony Wilson
Chair

Wellington Cable Car Limited

CEO's Report
For the year ended 30 June 2017

This financial year has been one of great achievement for the Company, with the successful completion of the Cable Car Electric Drive project and preparations for Trolley Bus electrical network decommissioning (which is scheduled to commence in November 2017). Further organisational change will be required after the Trolley Bus electrical network ceases operations in October 2017. Cable Car staff are focused on preparations for the next cruise ship season (that commences in October 2017) with the most important long-term goal being the replacement of the rolling stock (which is scheduled to commence the design phase in 2023). One constant, however, has been the professionalism and commitment of the employees, and the Company's strong performance is largely due to their outstanding efforts and commitment.

Cable Car

The Cable Car carried 970,366 passengers during the 2016/17 financial year. Although this is a reduction of 77,000 compared to the previous year, the underlying results are positive and show continued growth. The reduction was due to the temporary effects of the extended closure for the Electric Drive upgrade project (the Cable Car reopened on 18 August 2016) and the earthquake in November 2016. Excluding the results for the affected months of July, August and November 2016, there has been an average monthly increase in passenger numbers of 1.2% compared to the corresponding month in the previous year. Student numbers have also increased during what has been another buoyant year for the Wellington economy and the tourism industry. Passenger revenue reduced from $2,731K to $2,481K over the same period, again due to a temporary loss of trade during affected months. The projected figures for 2017/18 and 2018/19 remain buoyant, supported by continued growth in the Wellington tourism market, (the cruise ship market and free independent travellers).

The start of the financial year saw the successful completion of the Electric Drive and Control Systems upgrade project. This project completely replaced the electrical and mechanical drive systems and ensured that the Cable Car continues to operate safely whilst eliminating a number of acute obsolescence and support issues. In addition, the Cable Car passenger vehicles were overhauled, including replacement of the exterior roofs, windows, and interior floor linings, seats and the door opening mechanisms. This has brought the rolling stock another 10 years' service life before the passenger vehicles will need to be replaced (estimated replacement will be by 2025). WCCL was supported financially by a WCC grant of $2.5 Million. The overall cost of this project was in the region of $4.0 Million.

Future capital works to be undertaken before the passenger vehicles are replaced includes track replacement, tunnel portal strengthening, and potentially the regional integrated ticketing system. Detailed analysis and financial modelling has proved that the Cable Car cannot generate sufficient passenger revenue to maintain and/or replace its assets as required (based upon the requirements of the Railways Act 2005 and railway industry current practice). The difference between cash reserves available and funding required to undertake capital works becomes significant in 2023. At this time, initial design work will be required for the replacement of the current Cable Cars (required for safety reasons based upon their working life and material state).

WCCL has completed a business case in conjunction with WCC, GWRC and NZTA to investigate the viability of getting the Cable Car admitted into the Metlink public transport network, rendering it eligible for public transport subsidies from the National Land Transport Fund and GWRC rates. A decision is still awaited from Wellington City Council as to the preferred way ahead for future funding

Trolley Bus Overhead Electrical Network

Trolley Bus services cease permanently at the end of October 2017 and WCCL will decommission the network during the following 12-month period. However, WCCL continues to ensure that the network remains operationally available and meets all requisite safety, technical and legal requirements.

WCCL has contracted Broadspectrum to decommission the network, noting that this is a complex project with multiple interactions with other utility providers and the road controlling authorities (NZTA and WCC). The project will include removal of the overhead contact wire and supporting fittings. However, most of the supporting infrastructure will remain as it is required to support vital street lights, electrical power supplies, telecommunication systems, and road signs. WCCL is working closely with Wellington City Council to ensure the decommissioning dovetails successfully with other projects underway including installation of LED street lighting and urban development schemes near the airport.

The Company has contracts in place with Telecommunication companies to licence the installation of their equipment on the Trolley Bus network supporting infrastructure. This provides a small revenue stream that helps to offset network maintenance costs and ensures compliance with statutory legislation and standards.

Cessation of Trolley Bus services after many years of operation will require Company organisational change once decommissioning is complete. This will be challenging but it also presents opportunities in other areas and the Company continues to pursue commercial options in associated sectors as and when they arise.

Financial Result

The Company achieved a Net Surplus before Taxation of $533K which includes $462k of WCC grant funding for the Cable Car electric drive project. This was treated as revenue in the 2016/17 financial year and the associated expenditure has been capitalised. Excluding the WCC Grant funding, the Company made an accounting surplus of $71K which is largely due to costs which were required to be expensed as part of the Electric Drive System and associated improvements. As the Company is still in a tax paying position, it is envisaged that the Company will utilise tax losses from Wellington City Council via a subvention payment.

Grant funding of $3,625K was received from GWRC during the year for Trolley Bus operations, maintenance, and capital works.

The Company continues to maintain solid cash reserves, which have been built up and retained for providing for future capital expenditure in relation to the Cable Car.

These financial results are completed in accordance with the IPSAS reporting standards for Public Benefit Entities. They should be read in conjunction with the associated financial statements and notes to the accounts enclosed with this annual report.

Simon Fleisher
Chief Executive

Wellington Cable Car Limited

Statement of Compliance
As at 30th June 2017

The Directors of Wellington Cable Car Limited hereby confirms that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

Director .....

Director .....

Date: 2 October 2017

Wellington Cable Car Limited

Statement of Comprehensive Revenue and Expense
For the year ended 30 June 2017

	Note	Actual 2017 $	Budget 2017 $	Actual 2016 $
REVENUE				
Operating Revenue	5	7,243,307	7,249,454	8,952,894
Interest Revenue		13,760	30,000	31,533
Total Operating Revenue		7,257,067	7,279,454	8,984,427
EXPENSES				
Operations and general	6	4,413,107	4,887,810	4,504,458
Auditors' remuneration	7	35,436	35,000	34,477
Impairment of receivables		1,317	-	-
Directors' remuneration	8	45,000	42,672	44,000
Depreciation	15	489,469	393,000	1,162,905
Amortisation	16	26,271	-	19,026
Employees remuneration		1,572,483	1,441,904	1,317,013
Operating leases		141,389	160,273	132,966
Loss on Disposal		-	-	346,111
Impairment of Trolley Bus Network Asset	15	-	-	1,493,496
Total Operating Expenses		6,724,472	6,960,659	9,054,452
SURPLUS / (DEFICIT) BEFORE TAX		532,595	318,795	(70,025)
Income Tax Expense/(Benefit)	13	157,782	95,983	(21,253)
NET SURPLUS / (DEFECIT) AFTER TAX		374,813	222,813	(48,772)
OTHER COMPREHENSIVE REVENUE OR EXPENSE:		-	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE:		374,813	222,813	(48,772)

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.

For and on behalf of the Board:

Director .....

Director .....

Date: 2 October 2017

Wellington Cable Car Limited

Statement of Changes in Equity
For the year ended 30 June 2017

	Note	Actual 2017 $	Budget 2017 $	Actual 2016 $
EQUITY AT START OF YEAR		9,350,036	7,952,000	9,398,808
Total Comprehensive Revenue and Expense		374,813	222,813	(48,772)
EQUITY AT END OF YEAR		$9,724,849	$8,174,813	$9,350,036
MOVEMENTS IN ACCUMULATED	20			
Accumulated Comprehensive Revenue and Expense at start of year		1,915,190	517,154	1,963,962
Net Surplus		374,813	222,813	(48,772)
Accumulated Comprehensive Revenue and Expense at End of Year		2,290,003	739,967	1,915,190
MOVEMENTS IN ISSUED CAPITAL	20			
Balance at Start of Year		7,434,846	7,434,846	7,434,846
Balance at End of Year		7,434,846	7,434,846	7,434,846
EQUITY AT END OF YEAR		$9,724,849	$8,174,813	$9,350,036

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.

For and on behalf of the Board:

Director .....

Director .....

Date: 2 October 2017

Wellington Cable Car Limited

Statement of Financial Position
As at 30th June 2017

	Note	Actual 2017 $	Budget 2017 $	Actual 2016 $
CURRENT ASSETS				
Cash and cash equivalents		2,254,141	2,173,913	1,806,639
Short term deposits		301,741	200,000	293,477
Trade and other receivables	10	878,954	300,000	1,382,419
Inventories	11	89,023	100,000	345,028
Prepayments		278,490	-	312,617
GST Recoverable		-	-	98,804
Total Current Assets		3,802,349	2,773,913	4,238,984
NON-CURRENT ASSETS				
Property, plant & equipment	15	8,352,198	7,656,000	7,585,784
Intangibles	16	28,522	-	52,793
Total Non-Current Assets		8,380,720	7,656,000	7,638,577
TOTAL ASSETS		12,183,069	10,429,913	11,877,561
CURRENT LIABILITIES				
GST Payable		100,806	154,500	-
Income Tax Payable		123,675	20,600	213,956
Trade and other payables	12	1,270,117	927,000	1,421,953
Employee Benefit Liabilities		147,559	103,000	111,003
Total Current Liabilities		1,642,157	1,205,100	1,746,912
NON-CURRENT LIABILITIES				
Deferred tax liability	14	816,063	1,050,000	780,613
Total Non-Current Liabilities		816,063	1,050,000	780,613
TOTAL LIABILITIES		2,458,220	2,255,100	2,527,525
NET ASSETS		9,724,849	8,174,813	9,350,036
EQUITY				
Contributed Equity		7,434,846	7,434,846	7,434,846
Accumulated Profits		2,290,003	739,967	1,866,417
		9,724,849	8,174,813	9,301,263

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.

For and on behalf of the Board:

Director .....

Director .....

Date: 2 October 2017

Wellington Cable Car Limited

Statement of Cash Flow
For the year ended 30 June 2017

	Note	Actual 2017 $	Budget 2017 $	Actual 2016 $
Cash flows from operating activities				
Receipts from operations		7,745,454	7,263,712	10,213,240
Payments to suppliers and employees		(6,032,562)	(6,032,559)	(6,501,567)
Payments of Tax		(1,945)	-	(8,136)
Subvention Payment		(210,668)	(95,983)	(205,200)
Goods and services tax (net)		199,609		(347,555)
Net cash from operating activities		1,699,888	1,135,170	3,150,782
Cash flows from investing activities				
Receipts from interest		13,760	65,743	31,533
Purchase of property, plant and equipment		(1,257,883)	(49,000)	(2,455,940)
Investment in term deposits		(8,263)	-	(4,132)
Net cash from investing activities		(1,252,386)	16,743	(2,428,539)
Cash flows from financing activities				
Net cash from financing activities		-	-	-
Net (decrease)/increase in cash and cash equivalents		447,502	1,151,913	722,243
Cash and cash equivalents as at the beginning of the year		1,806,639	1,222,000	1,084,396
Cash and cash equivalents at the end of the year		2,254,141	2,373,913	1,806,639

Wellington Cable Car Limited
Notes to the Financial Statements
For the year ended 30 June 2017

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

These are the financial statements of Wellington Cable Car Limited. Wellington Cable Car Limited is a company wholly owned by Wellington City Council and is registered under the Companies Act I993. It is a Council-controlled Organisation as defined by Section 6 of the Local Government Act 2002 and is domiciled in New Zealand

The primary objective of the Wellington Cable Car Limited is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Wellington Cable Car Limited has designated itself as a public benefit entity for Financial Reporting Purposes.

The financial statements are for the year ended 30 June 2017 and were approved by the Board of Directors on 2 October 2017.

Basis of Preparation

These financial statements have been prepared on the basis that the company is a going concern and has the continuing support of its shareholders. Based on the continuing financial support of its shareholders, the company would satisfy the solvency requirements of the Companies Act 1993.

Statement of Compliance

The financial statements of Wellington Cable Car Limited have been prepared in accordance with the reporting requirements of the Companies Act 1993 and the Local Government Act 2002.

The financial statements have been prepared in accordance with Tier 2 PBE accounting standards. The company is eligible to report as a Tier 2 reporting entity with reduced disclosures on the basis that it does not have public accountability and is not large.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and they comply with PBE accounting standards.

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

Measurement Base

The financial statements of Wellington Cable Car Limited have been prepared on an historical cost basis, except where modified by the revaluation of trolley bus overhead lines.

The information is presented in New Zealand dollars. Rounding of amounts is to the nearest dollar.

Changes in Accounting Policies

There have been no changes in accounting policies during the current financial year.

Specific Accounting Policies

In the preparation of these financial statements, the specific accounting policies are as follows:

(a) Judgements and Estimations

The preparation of financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses.

Where material, information on the 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. 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 estimate is revised when the revision affects only that period. If the revision affects both current and future periods, it is reflected in the current and future periods.

Judgements that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes and highlighted below:

- The net realisable value of inventory in respect of The Trolley Bus division has been estimated at salvage value using recognised market values existing at balance date. Refer to Note 11.

- The value of the pole network has been estimated at its disposal value, being nil. The basis of this being the expected transfer value.

Wellington Cable Car Limited
Notes to the Financial Statements
For the year ended 30 June 2017

(b) Property, Plant & Equipment

Recognition

Property, plant and equipment consist of operational assets. Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

Property, plant and equipment is shown at cost, less accumulated depreciation and impairment losses.

Measurement

Property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. In accordance with PBE IPSAS 17, borrowing costs are capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset.

Trolley Bus Overhead and Poles

The Traction network is valued at cost less accumulated depreciation in accordance with PBE IPSAS 17, and annually reviewed for impairment to ensure its carrying value is accurately reflected. Please refer to Note 23 for further explanation.

Cable Car Assets

The Cable Car assets comprising the Cable Car Tracks & Wires and Cable Car Equipment are valued at cost less accumulated depreciation in accordance with PBE IPSAS 17, and annually reviewed for impairment to ensure its carrying value is accurately reflected..

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment in accordance with PBE IPSAS 21 and PBE IPSAS 26. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Statement of Comprehensive Revenue and Expense.

Disposal

Realised gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Revenue and Expense in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to Accumulated Comprehensive Revenue and Expense.

Depreciation

Depreciation is provided on all property, plant and equipment, except for assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The depreciation rates of the major classes of property, plant and equipment are as follows:

Cable Car Tracks & Wires	2%
Cable Car Equipment	2%
Cable Car Equipment	10%-33%
Computer Equipment	33%
Motor Vehicles	20%
Furniture & Fittings	20%
Trolley Bus Overhead Wire	2.5%-20%
Trolley Bus Overhead Wire	10%
Trolley Bus Overhead Protection System	100% (Refer note 15)

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance date.

Work-in-progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed. It is transferred to the relevant asset class only if it is probable that future economic benefits associated with the item will flow to Wellington Cable Car Limited and the cost of the item can be reliably measured.

(c) Foreign Currencies

Transactions in foreign currencies that are settled in the accounting period are translated into NZD (the functional currency) using the spot exchange rates at the dates of the transaction. Transactions in foreign currency that are not settled in the accounting period, resulting in monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated to NZD at the foreign exchange rate ruling at that date. Foreign exchange differences arising on their translation are recognised in the Statement of Comprehensive Revenue and Expense.

Wellington Cable Car Limited
Notes to the Financial Statements
For the year ended 30 June 2017

(d) Intangible Assets

Intangible assets comprise computer software which has a finite life and is initially recorded at cost less any amortisation and impairment losses. Amortisation is charged to the Statement of Comprehensive Revenue and Expense on a straight-line basis over the useful life of the asset.

Typically, the estimated useful lives of these assets are as follows:

Computer Software	3 years

Realised gains and losses arising from disposal of intangible assets are recognised in the Statement of Comprehensive Revenue and Expense in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the Statement of Comprehensive Revenue and Expense.

(e) Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

(f) Income Tax

Income tax expense is charged in the Statement of Comprehensive Revenue and Expense in respect of the current year's results. Income tax on the surplus or deficit for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable revenue for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at balance date. Deferred income tax assets are recognised to the extent that it is probable that future taxable surplus will be available against which the temporary differences can be utilised.

(g) Inventories

Wellington Cable Car Limited's inventory comprises of items held in respect of maintaining and operating the Overhead Trolley Bus network. Any inventory items utilised in providing this service is reimbursed by Greater Wellington Regional Council at its cost to Wellington Cable Car Limited. In accordance with PBE IPSAS 12, all inventory has been valued at the lower of cost using the weighted average cost formula or net realisable value. Any inventory items that are reclaimed from the existing Overhead Network are entered into inventory at a nil cost value, and where subsequently refurbished, the refurbishment costs are included in calculaing the weighted average cost of that item.

(h) Leases

Operating Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Statement of Comprehensive Revenue and Expense in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense as an integral part of the total lease payment.

Wellington Cable Car Limited
Notes to the Financial Statements
For the year ended 30 June 2017

(i) Statement of Cash Flow

The Statement of Cash Flow has been prepared using the direct approach.
Operating activities include cash received from all revenue sources of the company and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that change the equity and debt capital structure of the company.

(j) Related Parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties also include key management personnel or a close member of the family of any key management personnel.

Directors' remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to a Director during the reporting period. Directors' remuneration does not include reimbursement of legitimate work expenses or the provision of work-related equipment such as cell phones and laptops.

(k) Financial Instruments

Wellington Cable Car Limited classifies its financial assets and financial liabilities according to the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Trade and other receivables

Trade and other receivables are recorded at their fair value, less any provision for impairment. A provision for impairment is established where there is objective evidence that the company will not be able to collect all amounts according to the original terms of receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted using effective interest method. Receivables with a short duration are not discounted.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity from the date of acquisition. These are recorded at their fair value.

Short Term Investments

Short term investments comprise an ANZ term deposit that is invested for a period of less than 12 months. This is recorded at its fair value.

Trade and other payables

Short term payables are recorded at face value.

(l) Revenue

Wellington Cable Car Limited derives revenue from the cable car passenger service with fares being the sole source of income.

Additional revenue is received from projects in relation to the Traction Network to modify the network at the request of outside parties and there are also pole occupancy licences in place.

Revenue is recognised when billed or earned on an accrual basis. The non-exchange revenue consists of the funding for the operation of the Trolley Bus Network which is received from Greater Wellington Regional Council and also funding received from Wellington City Council for the replacement of the electric drive system.

- Exchange	3,170,573
- Non -Exchange	4,086,494
	7,257,067

(m) Grants

The trolley bus overhead wiring system funding is from contract payments by the Greater Wellington Regional Council.

Grants are recognised as revenue when received, unless conditions apply. Any grants for which conditions apply under the grant agreement are carried as liabilities until all the conditions have been fulfilled.

(n) Expenses

Expenses are recognised when the goods or services have been received on an accrual basis.

(o) Employee Benefit liabilities

A provision for employee benefits (holiday leave) is recognised as a liability when benefits are earned but not paid.

Holiday leave is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) and 16(4) of the Holidays Act 2003.

Wellington Cable Car Limited
Notes to the Financial Statements
For the year ended 30 June 2017

2. NATURE OF THE BUSINESS

Wellington Cable Car Limited owns and maintains the trolley bus overhead network in the Wellington City area and some suburbs providing a facility for the use of NZBus who are contracted to provide trolley bus services by Greater Wellington Regional Council. The cost of the overhead network maintenance is funded by Greater Wellington Regional Council.

Wellington Cable Car Limited also owns and operates the Wellington Cable Car providing a passenger service and acting as a tourist attraction for the city of Wellington.

The cable car business is funded from cable car fares.

The funding agreement with the Greater Wellington Regional Council provides revenue to meet the cost of the overhead network maintenance for the Trolleybus Overhead wire system. Further revenue is derived from pole service charges levied on third parties utilising the company's poles to support telecommunication cables and other equipment. Revenue has also been derived from various pole placements arising from changes to the trolley overhead system to accommodate street and underground services changes. Management fees are also collected from third parties operating high vehicle/loads and those requiring safe access in proximity to the overhead wires by having the lines de-energised.

As a result of the review of public transport services during the 2014 year where a decision was made to cease Trolley Bus services in Wellington with effect from 31 October 2017. The impacts of this decision is discussed in Note 3.

3. CESSATION OF TROLLEY BUS SERVICES

In April 2017, the Greater Wellington Regional Council confirmed that the trolley bus service would operate until 31 October 2017. This is the effective termination date for the service. As a result of this decision, Wellington Cable Car Limited commenced and completed the tendering process for the de-commissioning of the network, working closely with Greater Wellington Regional Council and Wellington City Council on this. Detailed planning for the de-commissioning of the network is now well underway, and this is planned to commence in November 2017 post the cessation of the Trolley Bus Service. The de-commissioning will be completed over a 12 month period.

The de-commissioning project will be funded through disposal of the Overhead Network division assets and assistance from the Greater Wellington Regional Council. An approved funding agreement was endorsed by both Wellington Cable Car Limited and the Greater Wellington Regional Council in May 2017. While it is expected that the funding agreement will cover the costs associated with the de-commissioning project, there is a risk that Wellington Cable Car Limited may be exposed to any shortfall in funding for the de-commissioning project if costs were to exceed the current funding agreement. For more information refer to note 4.

The decision to cease Trolley Bus services in Wellington has a significant impact on the activities of Wellington Cable Car Limited. With the termination of the Trolley Bus Service and de-commissioning of the overhead network, following completion of the de-commissioning it will leave the Wellington Cable Car Limited with only its Cable Car operations. No decisions have yet been made in respect of the future of the Wellington Cable Car Limited. Discussions will be ongoing over the coming year with Wellington City Council to assess future operating model options.

4. CONTINGENT LIABILITIES

At balance date there is one known contingent liability. This is in respect of the de-commissioning of the Overhead Network as a result of the decision to cease Trolley Bus services with effect from 31 October 2017 as outlined in note 3.

Based on current cost estimates to de-commission, the Company does not have a financial exposure (2016:$3,000,000); however the Company may be exposed to any shortfall in funding for the de-commissioning should actual costs of the project exceed the current agreed funding cap agreed by Greater Wellington Regional Council of $6,811,043 and further funding is not approved by Greater Wellington Regional Council.

5. OPERATING REVENUE

	2017	*2016*
	$	*$*
Cable Car revenue	2,480,552	*2,731,469*
GWRC revenue	3,624,612	*3,718,251*
Third party contract revenue	472,663	*165,628*
WCC revenue - Electric Drive Replacement Project	461,882	*2,056,731*
Miscellaneous revenue	203,598	*280,815*
	7,243,307	*8,952,894*

Wellington Cable Car Limited
Notes to the Financial Statements
For the year ended 30 June 2017

6. OPERATIONS AND GENERAL EXPENSES

	2017 $	2016 $
Cable car operational costs	627,368	492,482
Overhead contractor expenses	1,698,452	1,700,598
Overhead operational costs	314,089	302,992
Overhead impairment of inventory	312,436	250,000
Overhead repairs and maintenance	563,621	1,110,949
Miscellaneous expenses	897,141	647,437
	4,413,107	4,504,458

7. AUDITOR'S REMUNERATION

Amounts received or due and receivable by Audit New Zealand on behalf of the Auditor-General for:

	2017 $	2016 $
Auditing the financial statements	35,436	34,477
	35,436	34,477

8. RELATED PARTIES

Wellington Cable Car Limited (100% owned by WCC) contracts various services from Wellington City Council.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Wellington Cable Car Limited would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other Councils / Council Controlled Organisations are not disclosed as related party transactions when they are consistent with the normal operating arrangements between Councils / Council Controlled Organisations and undertaken on the normal terms and conditions for such transactions.

We are required to disclose the remuneration and related party transactions of key management personnel, which comprise the Directors, the Chief Executive, the Overhead Manager, the Cable Car Maintenance Manager, Chief Financial Officer, Project Manager and the Passenger Service Manager.

Key management personnel

	2017 $	2016 $
Key management personnel remuneration	678,180	518,470
Full-time equivalent members	6	4

Directors' remuneration

	2017 $	2016 $
A Matthews (Appointed 1 April 2014)	15,000	20,000
A Wilson (Appointed 1 April 2014)	30,000	24,000
Total Directors' remuneration	45,000	44,000
Full-time equivalent members	2	2
Total Related Party Remuneration	723,180	562,470
Total Full-time equivalent members	8	6

There have been no other transactions with Directors other than Directors' remuneration.

In respect of director's remuneration, the amount stated above in respect of the 2017 year discloses actual amounts paid.

It is noted that the directors' remuneration listed above for A Matthews and A Wilson is payable to Wellington City Council.

The company purchases accounting services from Add Smart Limited. These costs total $123,280 (2016: $118,162) and were supplied on normal commercial terms. There was outstanding balance on unpaid invoices of $11,280.06 (2016:$11,280.06). Bruce Jensen, the Chief Financial Officer of the Company is a director of Addsmart Limited.

Wellington Cable Car Limited
Notes to the Financial Statements
For the year ended 30 June 2017

9. FINANCIAL INSTRUMENTS

The accounting policies for financial instruments have been applied to the line items below:

Financial Assets

	2017	2016
	$	$
Cash and cash equivalents	2,254,141	1,806,639
Short term deposits	301,741	293,477
Trade receivables	815,761	815,748
Other receivables	62,163	566,671
Total Financial assets	3,433,806	3,482,535

Financial Liabilities	2017	2016
	$	$
Trade payables	594,387	773,692
Accrued expenses	664,450	648,261
Related party payables	11,280	0
	1,270,117	1,421,953

10. TRADE AND OTHER RECEIVABLES

	2017	2016
	$	$
Trade receivables	812,108	395,737
Related party receivables	4,683	420,693
Net trade receivables	816,791	816,430
Accrued Income	62,163	566,671
	878,954	1,383,101

The above balance comprise the following :
Exchange: $241,151 (2016: $1,111,018)
Non-Exchange: $636,319 (2016: $270,719)

The Company has not provided for any impairment of debtors based on a review of significant debtor balances and a collective assessment of all debtors. The collective impairment assessment is based on an analysis of past collection history and write-offs.

11. INVENTORY

	2017	2016
	$	$
Overhead division inventory valuation	291,984	587,887
Net realisable value adjustment	(235,276)	(250,000)
	56,708	337,887
Cable Car inventory	32,315	7,141
	89,023	345,028

In the current year the Company has adjusted the carrying value of the Overhead division inventory as a result of the planned cessation of Trolley Bus services from 31 October 2017. Please refer to note 3 for further detail in respect of the impact of this on the Company.

12. TRADE AND OTHER PAYABLES

	2017	2016
	$	$
Trade payables	594,387	773,692
Accrued Expenses	664,450	648,261
Related party payables	11,280	-
	1,270,117	1,421,953
The above consists of:		
Total payables from exchange transactions	1,270,117	1,421,953
Total payables from non-exchange transactions	-	-
	1,270,117	1,421,953

13. INCOME TAX EXPENSE

	2017	2016
	$	$
Current year	125,621	222,141
Adjustments to current tax in prior periods	(279)	(22)
Deferred tax	32,440	(243,372)
	157,782	(21,253)

Wellington Cable Car Limited
Notes to the Financial Statements
For the year ended 30 June 2017

Reconciliation of effective tax rate:	2017	2016
	$	$
Surplus for the period excluding income tax	532,595	(70,026)
Prima facie income tax at 28%	149,127	(19,607)
Effect of non-deductible expenses	1,013,194	1,041,736
Effect of tax exempt income	(1,136,581)	(1,616,995)
Prior period adjustment	(279)	(22)
Effect of group loss offset	-	-
Deferred tax adjustment	132,321	573,635
	157,782	(21,253)

Wellington Cable Car Limited's tax liability for 2016 was satisfied by way of offset by tax losses from / subvention payment to WCC. It is expected that the tax liability for the 2017 year will be offset by tax losses from / subvention payment to WCC however no amount has been provided for this.

14. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets/(liabilities):

	Property, plant & equipment	Provisions	Total
	$	$	$
Balance, 30 June 2015	(1,097,790)	78,762	(1,019,028)
Charged to Revenue	165,109	73,306	238,415
Charged to other comprehensive income	-	-	-
Balance, 30 June 2016	$ (932,681)	$ 152,068	$ (780,613)
Charged to Revenue	(60,576)	25,125	(35,450)
Charged to other comprehensive income	-	-	-
Balance, 30 June 2017	$ (993,257)	$ 177,194	$ (816,063)

15. PROPERTY, PLANT & EQUIPMENT

	2017	2016
Cable Car and equipment Cost	$	$
Opening balance	4,946,565	5,637,124
Additions	14,972	-
Transfer from WIP	463,369	
Disposals	-	(690,559)
Closing balance	5,424,906	4,946,565
Accumulated depreciation		
Opening balance	1,215,566	1,443,272
Current year depreciation	158,438	116,742
Disposals	-	(344,448)
Closing balance	1,374,004	1,215,566
Carrying amount	4,050,902	3,730,999
Cable car tracks and wires Costs		
Opening balance	1,363,778	1,363,778
Additions	1,199,042	-
Transfer from WIP	1,969,107	
Disposals		-
Closing balance	4,531,927	1,363,778
Accumulated depreciation		
Opening balance	463,687	436,411
Current year depreciation	115,280	27,276
Closing balance	578,967	463,687
Carrying amount	3,952,960	900,091

Item 2.1 Attachment 3

Wellington Cable Car Limited
Notes to the Financial Statements
For the year ended 30 June 2017

Trolley bus overhead		
Cost/Valuation		
Opening balance	(0)	461,333
Impairment	-	(461,333)
Closing balance	(0)	(0)
Accumulated depreciation		
Opening balance	0	11,966
Current year depreciation	-	11,533
Elimination of depreciation on impairment	-	(23,499)
Closing balance	0	0
Carrying amount	-	-
Wire system equipment Cost		
Opening balance	79,506	79,506
Transfer from WIP	-	1,847,409
Impairment	-	(1,847,409)
Closing balance	79,506	79,506
Accumulated depreciation		
Opening balance	61,207	54,465
Current year depreciation	6,671	798,489
Elimination of depreciation on impairment	-	(791,747)
Closing balance	67,878	61,207
Carrying amount	11,628	18,299
Motor vehicles Cost		
Opening balance	1,026,850	1,026,850
Additions		
Disposals		
Closing balance	1,026,850	1,026,850
Accumulated depreciation		
Opening balance	546,155	359,343
Current year depreciation	186,812	186,812
Disposals		
Closing balance	732,967	546,155
Carrying amount	293,883	480,695
Furniture Cost		
Opening balance	61,238	61,238
Additions	13,141	-
Disposals	-	-
Closing balance	74,379	61,238
Accumulated depreciation		
Opening balance	52,580	46,832
Current year depreciation	6,963	5,748
Closing balance	59,543	52,580
Carrying amount	14,836	8,658
Computer equipment Cost		
Opening balance	252,370	283,197
Additions	27,771	1,039
Disposals	-	(31,866)
Closing balance	280,141	252,370
Accumulated depreciation		
Opening balance	237,805	253,366
Current year depreciation	15,305	16,305
Disposals	-	(31,866)
Closing balance	253,110	237,805
Carrying amount	27,031	14,565

Wellington Cable Car Limited
Notes to the Financial Statements
For the year ended 30 June 2017

Work-In-Progress Cost		
Opening balance	2,432,477	1,855,525
Additions	957	2,424,361
Transfer to Cable Car and equipment	(463,369)	-
Transfer to Cable car tracks and wires	(1,969,107)	(1,847,409)
Closing balance	958	2,432,477
Accumulated depreciation		
Opening balance	-	-
Current year depreciation	-	-
Closing balance	-	-
Carrying amount	958	2,432,477
Total Property, Plant & Equipment Cost		
Opening balance	10,162,784	10,768,551
Additions	1,255,883	2,425,400
Transfer to/from WIP	-	-
Disposals	-	(722,425)
Impairment	-	(2,308,742)
Closing balance	11,418,667	10,162,784
Accumulated depreciation		
Opening balance	2,577,000	2,605,655
Current year depreciation	489,469	1,162,905
Elimination of depreciation on impairment	-	(815,246)
Disposals	-	(376,314)
Closing balance	3,066,469	2,577,000
Carrying amount	8,352,198	7,585,784

Motor Vehicles

It is noted that of the total carrying value of motor vehicles owned by Wellington Cable Car Limited, $274,269 pertains to motor vehicles utilised in the Overhead division of the Company.

Trolley Bus Overhead Network

The Trolley Bus Overhead Network assets comprise both Poles and Wires and associated network assets, specifically the Trolley Bus Overhead Protection System (included within the wire system equipment category). Wellington Cable Car Limited is unable to determine the split between poles and wires given the historical cost information when the network was acquired, however using the current replacement cost as a proxy, Wellington Cable Car Limited has calculated the split to be approximately 69% Poles and 31% Wires.

Restrictions

There are no restrictions over Wellington Cable Car Limited's property, plant & equipment. No property, plant or equipment are pledged as security for liabilities.

16. INTANGIBLES

	2017 $	2016 $
Cost		
Opening balance	202,707	172,167
Acquired by direct purchase	2,000	30,540
Closing balance	204,707	202,707
Accumulated amortisation		
Opening balance	149,914	130,888
Current year amortisation	26,271	19,026
Closing balance	176,185	149,914
Carrying amount	28,522	52,793

Restrictions

There are no restrictions over the title of Wellington Cable Car Limited's intangible assets. No intangible assets are pledged as security for liabilities.

Wellington Cable Car Limited
Notes to the Financial Statements
For the year ended 30 June 2017

17. OPERATING LEASE COMMITMENTS

	2017	2016
	$	$
Non-cancellable operating lease commitments:		
Land and Buildings		
Not later than 1 year	97,929	99,238
Later than 1 and not later than 2 years	-	82,552
	97,929	181,790
Plant and equipment		
Not later than 1 year	21,133	22,333
Later than 1 and not later than 2 years	25,040	25,040
	46,173	47,373
	144,102	229,163

18. OPERATING AND CAPITAL COMMITMENTS

	2017	2016
Contractor	$	$
Not later than 1 year	-	2,700,000
	-	2,700,000

As outlined in Notes 3 and 4, the Company will be commencing the decommissioning of the Trolley Bus network post the cessation of Trolley Bus services on 31 October 2017. This project will largely be completed by third party contractors, with the total project value estimated to be $6,811,043, of which is contractually to be funded by the Greater Wellington Regional Council.

Capital Commitments
At balance date there are capital commitments totalling $0 in relation to the replacement of the cable car electric drive and control systems. (2016: $1,365,469)

19. BORROWINGS

Bank overdraft
Wellington Cable Car Limited's bank overdraft facility totals $50,000. The current interest rate on the facility is 11% (2016:10.90%). The actual overdraft facility was un-drawn as at 30 June 2017 (2016: un-drawn).

20. SHAREHOLDERS' EQUITY

Capital
These shares have full voting rights and participate fully in all dividends and proceeds upon winding up.

	2017	2016
	$	$
7,434,746 fully paid Ordinary Shares (Par Value $1)	7,434,846	7,434,846
Total Issued and Paid up Capital	7,434,846	7,434,846

Accumulated Comprehensive Revenue and Expense

	2017	2016
	$	$
Accumulated Comprehensive Revenue & Expense Opening Balance	1,915,190	1,963,962
Net Surplus after tax	374,813	(48,772)
Available for appropriation	2,290,003	1,915,190
Accumulated Comprehensive Revenue & Expense Closing Balance	2,290,003	1,915,190

21. SIGNIFICANT EVENTS AFTER BALANCE DATE
There are no significant events that have occurred after balance date:

22. STATUTORY DEADLINE
Section 67 of the Local Government Act 2002 requires delivery to shareholders and available to the public within three months of balance date.

Wellington Cable Car Limited
Notes to the Financial Statements
For the year ended 30 June 2017

23. MAJOR VARIANCES TO BUDGET

The following are explanations in respect of the major variances between the actual and budgeted results for the year ended 30 June 2017 for the financial reports on pages 5 to 8.

Statement of Comprehensive Revenue and Expense

The Company achieved minor cost savings and efficiencies over a number of areas relating to operating and maintaining the Cable Car, however the major variances relate to the Overhead Network and the effects of the replacement of the Cable Car electric drive system.

The funding for the maintenance and capital works for the Overhead Network is supplied by Greater Wellington Regional Council (GWRC) and, as such, the Company does not derive a surplus on Overhead Network operations.

For the year ending 30 June 2017, the major variances relate to costs savings and deferrals in regard to the following four areas:

(a) Overhead Division Operational Expenses - operational expenses incurred were $.24m less than budgeted which consists of $.22m of internal budgetted costs where costs incurred were less than budgeted (including vehicle costs and office rental), ($.32m) in respect of actual spend on reactive maintenance being less than that budgeted, and an additional $.31m in costs in relation to the impairment of the overhead inventory value. The reduction in reactive maintenance is largely due to the improved condition of the network but also based on prior years there were less external factors and events that required maintenance work.

(b) Pole Replacements - Actual pole replacement costs were $.27m less than originally budgeted for the year. This variance is due to the confirmed decision to cease Trolley Bus services in October 2017 and agreement with GWRC thereon to reduce the planned pole replacement programme. Contractor resourcing constraints and external pole users further restricted the number of poles that could be replaced during the year.

(c) Electric drive system and associated replacement project - as a result of completing this project, unbudgeted costs of $.26m were expensed in the current year; noting that this project had been budgeted to be completed in the year ended 30 June 2016.

(d) Consideration of entering into the Metlink Public Transport Network - As part of reviewing the long term funding of the Company, consideration was had into entering into the Metlink Public Transport Network. Costs of $.11m were incurred in relation to this which were unbudgeted.

Statement of Changes in Equity

The major variance between the actual position as at 30 June 2017 and that originally budgeted by the Company relates to the increased surplus for the year which is outlined above in the Statement of Comprehensive Revenue and Expense section along with the effects of the opening equity balance.

Statement of Financial Position

Other than the impact of the variance between the budgeted and actual surplus for the 2016/17 year which resulted in larger cash reserves than expected and associated tax payable, the major variances in the Statement of Financial Position between the actual and budgeted positions is due to trade payables and trade receivables and also the impact of the replacement of the electric drive system.

Trade payables and trade receivables are dependent largely on the timing of work completion and capital projects. For the year ended 30 June 2017, the significant project which was in progress was in respect of the replacement of the Cable Car electric drive system for which there were large payables to the Company's supplier but also Wellington City Council in respect of the grant income reimbursement for certain parts of these costs.

The replacement of the Cable Car electric drive system also has impacted on the budgeted position in respect of fixed assets, as additional work was completed on this project than originally budgeted and the timing of the expenditure being incurred, specifically it had been budgeted to be completed in the 2016 year.

Statement of Cash Flow

The receipts from operations are significantly higher than budgeted given the financial performance of the Company along with the grant income being received from Wellington City Council in respect of the Cable Car electric drive replacement project.

As stated above in respect of the Statement of Financial Position, the deferral of the electric drive replacement into the 2017 financial year has resulted expenditure on fixed assets being higher than that originally budgeted.

Wellington Cable Car Limited

Statement of Service Performance
For the year ended 30 June 2017

Cable Car Service Performance Measures

Performance Indicator	Measure	Target/Result	*Actual - 2017*	*Actual - 2016*
Cable car vehicles, track, tunnels, bridges, buildings and equipment are maintained to required safety standards	Approval by NZTA to be obtained each year.	Timely approval received	Achieved.	Achieved.
Cable Car service reliability	Percentage reliability	Greater than 99%	*Result 99.83%. Achieved. Noting that due to the electric drive system and controls upgrade which was completed in August 2016, reliability statistics were not reportable until April 2017 given the equipment supplier could not provide the information in the format required. Given this, the Company developed a system internally. Therefore the stated result is for the three month period April to June 2017.*	*Result 99.90%. Achieved. Noting the Cable Car stopped service on 5 June as part of the electric drive system and controls upgrade.*
Wellington Residents Satisfaction Survey	Q1. Have you used the cable car in the last 12 months?	30% of respondents have used cable car	*Result 44.9%*	*Result 50.7%*
	Q2. How do you rate the standard and operational reliability of the Cable Car (Good Very good)	95% of respondents with some knowledge of the Cable Car rate it Good or Very good	*Result 93.8%*	*Result 94.4%*
Cable Car Service maintains Qualmark endorsement to confirm that the Cable Car Service meets the established tourism standards	Qualmark endorsement maintained	Qualmark endorsement maintained when annual requalification is required	*Qualmark endorsement applied for and achieved in 2016.*	*Qualmark endorsement applied for and achieved in 2016.*
Cable Car Asset Management Plan (AMP) produced and implemented	Asset Management Plan agreed and signed off	Asset Management Plan implemented and long term planning and financial implications fed into WCCL, WCC and GWRC planning systems	*Asset Management Plan reviewed and updated as part of completing the 2017/18 business plan in February 2017*	*Completed January 2016*
Cable Car Passenger Trips	Passenger trips as per the estimates in the table below	Passenger trip estimates achieved	*Not achieved. This is due to the electric drive and systems replacement project extending for a longer period of time than first planned and the Wellington earthquake in November 2016 which resulted in fewer passenger numbers in the second quarter of the 2016/17 year.*	*Achieved - see table below*

Cable Car Patronage

All Passenger Trips

2016/17	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Estimated Passenger Trips	149,815	293,325	354,332	200,039	997,511
Actual Passenger Trips	107,434	266,165	355,584	241,183	970,366

Trolley Bus Overhead Network Performance Measures

Performance Indicator	Measure	Target Result		*Actual - 2016*
Hazard Notices issued to WCCL in respect of Network Issues	Number of hazard notices issued to WCCL in respect of network issues caused by WCCL or a result of inadequate maintenance by WCCL.	Nil notices	*Nil notices issued - Achieved*	*Nil notices issued - Achieved*
Number of power outages on the Trolley Bus Overhead Electrical Network attributable to WCCL	Number of power outages occurring on the network	24 per annum	*WCCL believes this is not an appropriate measure and has been replaced with the measure above, being hazard notices issued.*	*WCCL believes this is not an appropriate measure and has been replaced with the measure above, being hazard notices issued.*

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Performance Indicator	Measure	Target Result		
Trolley Bus Overhead Network Asset Management Plan (AMP) updated and reviewed	Draft Asset Management Plan completion	Asset Management Plan agreed and planning financial implications fed into GWRC planning system	*Acheived - GWRC and WCCL agreed and documented in Contract Variation CV006 that a full update of the previously provided AMP was not required for the 2015/16 financial year; but WCCL was required to provide an initial updated financial forecast for the 2015/16 and 2016/17 years to GWRC by 30 September 2015 for discussion between the parties. WCCL provided this to GWRC on 23 September 2015.*	*Acheived - GWRC and WCCL agreed and documented in Contract Variation CV006 that a full update of the previously provided AMP was not required for the 2015/16 financial year; but WCCL was required to provide an initial updated financial forecast for the 2015/16 and 2016/17 years to GWRC by 30 September 2015 for discussion between the parties. WCCL provided this to GWRC on 23 September 2015.*
Trolley Bus Overhead Network Decommissioning Project	Trolley Bus Overhead Network Decommissioning Plan and Schedule agreed with GWRC and tender process completed	Process for safe and efficient Trolley Bus Overhead Network Decommissioning organised and ready to commence at the appropriate time	*Acheived - Tender process completed and contract finalised with the successful tenderer. Planning completed for project to commence in November 2017*	*Achieved - Financial estimates completed by WCCL and provided to GWRC for inclusion in both GWRC and WCCL's business plans.*
Trolley Bus Overhead Network Poles identified in the AMP as requiring urgent and critical replacement are programmed for replacement	Pole replacements completion	Completed in accordance with the programme	*The pole replacement programme for 2016/17 was 50 planned pole replacements as agreed with GWRC. 55 poles were completed during the year and a further 25 commenced but not completed due to third party work being required.*	*The pole replacement programme for 2015/16 was modified to 50 planned pole replacements post agreement with GWRC. 47 poles were completed during the year and a further 7 commenced but not completed due to third party work being required.*
GWRC funding and performance agreement compliance	Number of breaches of agreement	Nil breaches by WCCL Nil complaints from GWRC	*Nil breaches have been from a reporting perspective and agreed with GWRC. No penalties have been incurred.*	*Nil breaches have been from a reporting perspective and agreed with GWRC. No penalties have been incurred.*

All of WCCL Activities Performance Measures

Performance Indicator	Measure	Target Result	*Actual - 2017*	*Actual - 2016*
Compliance with appropriate legislations and statues	Number of adverse comments from the relevant regulatory authorities	Nil adverse comments	*Achieved*	*Achieved*
WCCL Corporate and Operational Risks are proactively identified, assessed and managed to an As Low As Reasonably Practicable (ALARP) level in accordance with the principles contained in AS NZS ISO 31000:2009	WCCL Corporate and Operational Risks are proactively identified, assessed and managed	Nil Extreme Risks extant High Risks are proactively managed and eliminated or minimised.	*Achieved - WCCL management has a risk register and monitors and manages all identified risks including regular reporting to the Board.*	*Achieved - WCCL management has a risk register and monitors and manages all identified risks including regular reporting to the Board.*
Budgetary requirements approved by the WCCL Board are met	Degree of variance from budget	Within 10% of Board approved variance	*All variances approved and signed off by the Directors at the following Board meeting.*	*All variances approved and signed off by the Directors at the following Board meeting.*
Board delegations are adhered to	Board and leadership team approvals of financial and contractual commitments and expenditure	All approvals of financial and contractual commitments and expenditure are in accordance with delegations policy	*Achieved*	*Achieved*
WCCL can fund its long- term Cable Car capital expenditure programme	Appropriate budgeted amount set aside each year for long- term capital works programme	Sufficient financial reserves are maintained to permit funding of capital works programme as included in the Asset Management Plan, through a combination of cash, external borrowings and grants external funding	*Not achieved. As part of updating the Cable Car Asset Management Plan and the required capital works to be undertaken it was identified there would be cash shortfalls in the short to medium term. WCCL is working with stakeholders (specifically NZTA/GWRC and WCC) in relation to the long term capital funding of the Company.*	*Not achieved. As part of updating the Cable Car Asset Management Plan and the required capital works to be undertaken, in the short to medium term, WCC is currently largely funding the Electric Drive replacement which commenced in the 2015/16 year and was completed early in the 2016/17 year. In addition, WCCL is working with stakeholders (specifically NZTA/GWRC and WCC) in relation to the long term capital funding of the Company.*

Wellington Cable Car Limited

Company Directory
As at 30th June 2017

Issued Capital:	7,434,746 fully paid Ordinary Shares
Registered Office:	30 Glover Street Ngauranga Wellington, NEW ZEALAND
Directors:	Mr A W Matthews Mr A E Wilson
Company Number:	502158
Auditors:	Audit New Zealand on behalf of the Auditor-General
Bankers:	ANZ Bank New Zealand Limited
Share Registry	Level 4, Civic Administration Building 101 Wakefield Street Wellington, NEW ZEALAND
Solicitors:	Morrison Mallet
Date of Formation	2 April 1991

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Wellington Cable Car Limited's financial statements and performance information for the year ended 30 June 2017

The Auditor-General is the auditor of Wellington Cable Car Limited (the company). The Auditor-General has appointed me, Mari-Anne Williamson, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company, on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 5 to 20, that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flow for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 21 and 22.

In our opinion:

- the financial statements of the company on pages 5 to 20:
    - present fairly, in all material respects:
        - its financial position as at 30 June 2017; and
        - its financial performance and cash flows for the year then ended; and
    - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- the performance information of the company on pages 21 and 22 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2017.

Our audit was completed on 2 October 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to disclosures about the effects of the cessation of the trolley bus service. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Effects of the cessation of the overhead trolley bus service

Without modifying our opinion, we draw your attention to note three on page 13, which explains the effect of the cessation of the trolley bus service from 31 October 2017, and the associated decommissioning of the related network assets. The decision to cease the trolley bus service significantly affects the activities of the company, which are explained in Note 2 on page 13. No decision has been made regarding the company's future operations. We consider the disclosures about the cessation of the overhead trolley bus service to be adequate.

Basis for opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 4 and 23, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1(Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the company.

Mari-Anne Williamson

Mari-Anne Williamson
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

experience
Wellington
wellington museums trust
Annual Report
Te Pūrongo ā-tau
2016 - 17

Timotimo share stories and waiata inspired by the exhibition 'Colin McCahon: On Going Out with the Tide' at City Gallery Wellington's ANZ Family Day. Photo: Elias Rodriguez.

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Mayor Justin Lester visits Martino Gamper's '100 Chairs in 100 Days' at City Gallery Wellington. Photo: Elias Rodriguez.

This year will be remembered for the success of bold ventures, record participation from our diverse communities and the launch of projects that increase the involvement of young people:

- *Cindy Sherman* enabled City Gallery Wellington to assert its place as a national leader in the field of contemporary visual art and contributed an estimated $1.4 million to the Wellington economy.
- *Ngā Heke*, showing different perspectives of Wellington's colourful history, and *Flux*, a new co-operative community space for, by and with young people opened at Wellington Museum.
- Capital E's 8th biennial National Arts Festival included the winning films of the 2016 Roxy5 Short Film Competition and introduced Wellingtonians to its version of a Festival fun zone in the form of *Odd Lands*.
- Space Place, with the help of the MetService, and with funding support from the Unlocking Curious Minds Fund, worked with a group of Year 10 students to launch a high-altitude balloon into near space.
- Nairn Street Cottage's Preservation Society continued to engage the Te Aro community through home craft activities.
- The Cable Car Museum and the Marklin Model Railway Club presented a massive and intricate model train, creating a welcome point of interest for visitors during the quieter winter season.

Designer Karen Walker talks about her favourite work in 'Cindy Sherman' at City Gallery Wellington. Photo: Mark Tantrum.

Record Performance
Ngā turanga whakakitenga

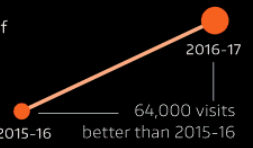
The quality of our programming and the dedication of our high performing team resulted in:

Record visitation of 780,414

18% better than target

and over 92,000 more visitors than in 2015-16

Total visitation of
1,087,511

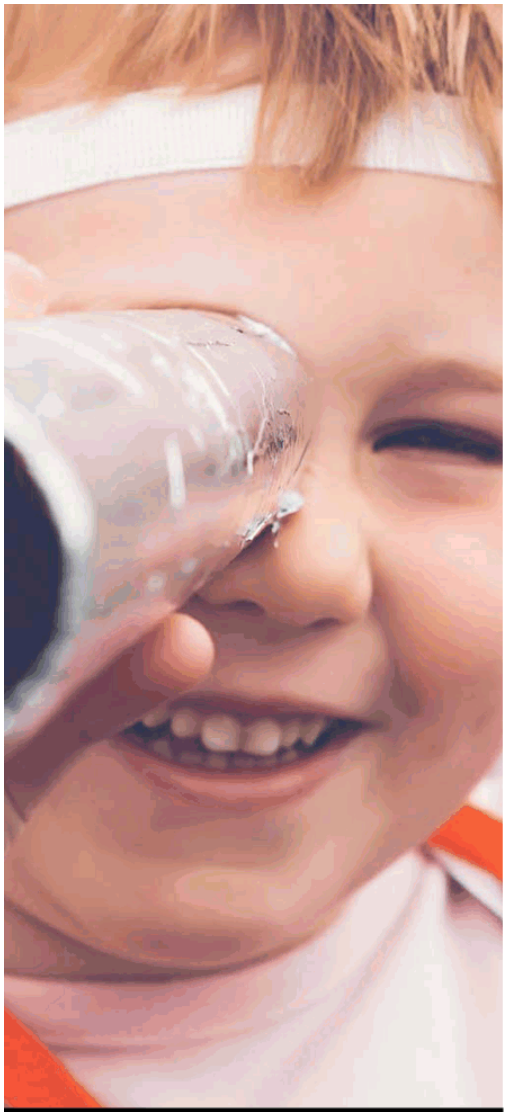


inclusive of online engagement through website visits and social media followers.

Record non-Council revenue with
$4.8 million
achieved

an increase of $0.849 million over last year

and representing increases in both trading and fundraising revenue.



Budding astronauts looking for new planets at Capital E's 2017 'The Great Scavenger Hunt.' Photo: Duo Photography.

Our Supporters
Ngā pou whirinaki

Partnerships are critical to our success with many of our projects benefiting from the collaboration and input of individuals and groups. Sometimes this is essential financial or in-kind support but quite often it's sharing knowledge and combining strengths that bring together truly amazing visitor experiences. We thank all our supporters for their contributions during 2016-17.

- Wellington City Council is our principal funder and we thank Mayor Justin Lester and Councillors for their continued support through the operating grant and for the contribution through the Wellington Economic Initiatives Fund now City Growth Projects which made the presentation of *Cindy Sherman* financially possible.
- EY, Massey University and the City Gallery Wellington Foundation were also critical partners in the presentation of *Cindy Sherman*.
- The Lottery WW1, Environment & Heritage Committee has contributed to several projects including the New Tall Screen film at Wellington Museum, *No 1 Field Punishment*, the planned City Gallery front door replacement to be completed in 2017-18, and digitising of the City Gallery exhibition archive.
- The Lion Foundation's grant made *Odd Lands* a reality and the support of the Wellington Amenities Fund extended the reach of Capital E's National Arts Festival and National Theatre for Children.
- Creative New Zealand (CNZ) continues to support Capital E's National Theatre for Children and biennial National Arts Festival as a Tōtara organisation.
- The Ministry of Education continues to subsidise our curriculum-aligned education programmes.

A full list of our supporters is on page 55.

Our Team
Tā mātou kapa

With the new Council triennium, we farewelled Councillor Nicola Young and welcomed Councillor Diane Calvert as Trustees. We thank Nicola for her contribution to the Board.

The Trustees thank our Chief Executive, Pat Stuart, who with her Executive Leadership Team provide the leadership underpinning our success. We also pay tribute to, and thank, our staff, and all the volunteers who freely give their time which this year amounted to 1,908 hours, and to our Friends organisations for their support.

Looking Forward
He tirohanga whakamua

Our enthusiasm for the visitor experiences we deliver for Wellington is boundless, and while we are proud of what we have achieved this year we are ambitious for our future and what we can continue to do for Wellington. A new Strategic Plan has recently been developed by our team and we have set our development agenda. This includes building on the success of the *Cindy Sherman* exhibition by bringing other high profile international contemporary art exhibitions to Wellington and while the cost of completing the Wellington Museum will be a significant challenge, it's an important project for Wellington. In addition, Capital E is poised to take its reinvention to the next stage and we anticipate a clear plan, to supercharge Capital E offerings, will be completed by the end of 2017.

Jackie Lloyd
Chair

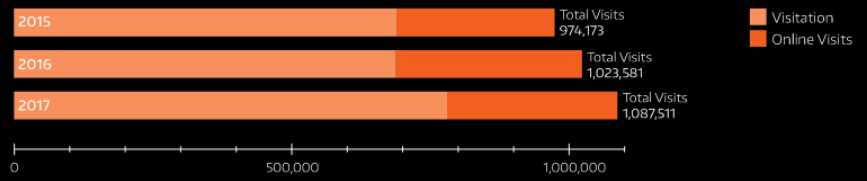
Audience awaiting the start of Capital E production 'Hinepau' at the Hannah Playhouse. Photo: Stephen A'Court.

- Total visitation of 780,414 (688,169 in 2015-16) exceeding target by 121,414 visits (18%). This is a record for Experience Wellington with the biggest achievers (by % over target) being Capital E, City Gallery Wellington and Space Place. The Cable Car Museum achieved almost a ¼ million visitors and continues to be our most popular visitor destination.
- Total online engagement via websites and social media was 307,097 (335,411 in 2016-17) representing an increase in the number of social media followers by nearly 10,000 but a decline in visitors to our websites of nearly 40,000 visits.
- We raised $4.8 million or 40.7% of the revenue required to deliver our visitor experiences. This is $0.849 million more than in 2015-16 because of the impact of the *Cindy Sherman* exhibition, the 2017 Capital E National Arts Festival and an increase in trading revenue. In 2015 Non-Council Revenue was boosted by the Capital E National Arts Festival and a wind-fall revenue in the form of a bequest and insurance claim pay-out.
- We delivered 429 (460 in 2015-16) individual exhibitions, public programmes and events. City Gallery's commitment to presenting the whole-of-gallery exhibition *Cindy Sherman* meant that it presented fewer exhibitions and events overall than in previous years.
- We hosted 83,365 (40,096 in 2015-16) school students. This year's total was boosted by school audiences to the 2017 Capital E National Arts Festival.

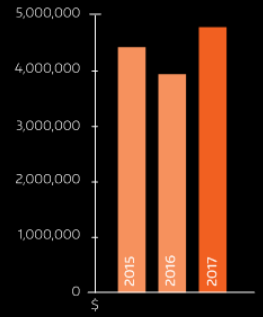
Full details of visitation and other achievements by institution are available in the Statement of Service Performance on page 29.

Our performance against Key Performance Indicators (KPI)
He whakaritenga mahi

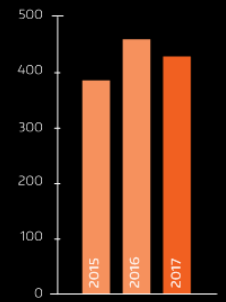
Visitation



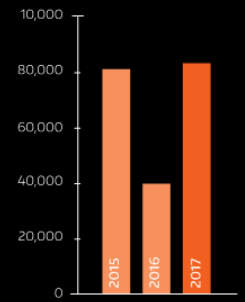
Non-Council Revenue



Exhibitions, Programmes & Events



School Student Vists



Visitation, Non-Council Revenue and School student visits are affected by the inclusion of the biennial Capital E National Arts Festival which occurred in 2015 and 2017. The inclusion of the *Cindy Sherman* exhibition at City Gallery Wellington had a positive impact on revenue in 2017 and the small drop in Exhibitions, Public Programmes and Events.

Capital E's 'Electro Jungle' wowed 35,000 people at the 2017 LUX Festival. Photo: Paul Berrington.

Our role within Wellington is to add to Wellington's vibrancy as a city that Wellingtonians are proud to call home.

This year, through some extraordinary exhibitions and public programmes we achieved this, despite some significant events including the 14 November 2016 Kaikoura earthquakes which temporarily dampened confidence. The resilience of our Experience Wellington team and the support of Council's Property team ensured that we hardly missed a beat and City Gallery's *Cindy Sherman* exhibition opened on time on 19 November and the new permanent exhibition at Wellington Museum *Ngā Heke* opened a week later, also on time.

The city was very lucky that none of the heritage buildings we operate were damaged and because of exemplary museum practice none of the collection items in our care at the time, including the high value Cindy Sherman collection were damaged. The negative impact was on term four school visitation with many cancellations from out of region schools; normally this is a busy and productive period for our visitor experiences especially Capital E.

Annual visitation was not affected and with brilliant programming at City Gallery including *Colin McCahon: On Going Out with the Tide* and the biennial Capital E National Arts Festival, which attracted nearly 48,000 visitors over a two week period, visitation picked up in the second half of the year. The record, however, was set with 10 days of Capital E's contribution to the 2017 LUX Festival Playground Precinct which resulted in over 35,000 visits.

It is also pleasing to report that the team's hard work at Space Place is paying off with visitation growing year-on-year. Again the programming appeals to our core Wellington audience which now enjoys regular star gazing, the variety of the planetarium offer and the sometimes quirky, space themed events targeting a younger audience.

As a consequence of our excellent visitor numbers all retail outlets exceeded their revenue targets and venue hire achieved excellent results particularly at Wellington Museum which has built a reputation for its elegant heritage spaces. The result was an increase this year of $0.48 million in trading revenues.

While the number of visitors is important, increasingly, our focus is on the diversity of our audience and our ability to engage the communities we serve. During the year we appointed Dr Sarah Rusholme to the new role of Director Children and Young People which, in addition to the leadership of Capital E, establishes an organisation wide brief and an audience-focussed point of difference for our organisation. At Wellington Museum we opened *Flux*, a new dynamic, co-operative space aimed at 18 – 30 year olds and City Gallery continued its series of *ANZ Family Days* which brings in a new audience to the Gallery. We continued our involvement in the *Learning about Nationhood* programmes and coordinated visits to Wellington for 2,763 students and teachers from lower decile schools to 13 nationally-significant institutions including Wellington Museum. We also continued our work to ensure the accessibility of all visitors to our visitor experiences, including those with mobility, hearing and visual impairment.

So much of the work we do is shaped through collaboration and the partnerships we forge with other organisations. There are many examples; including the partnership Capital E has developed with Miramar Creative for the Roxy5 Short Film Competition. Another is the partnerships City Gallery brought together to secure the *Cindy Sherman* exhibition; in addition to the agreement with the Queensland Art Gallery | Gallery of Modern Art to present the exhibition, City Gallery worked with the New Zealand Festival, RNZ and Massey University on various aspects of the exhibition and public programme. Wellington Museum and Chamber Music New Zealand celebrated its four year collaboration with the 2017 Matariki Rising, *Te Oro o ngā Whetū - Echo of the Stars*. There are many more examples illustrating how our organisation connects with others to bring great programming together for Wellington.

Development of Visitor Experiences
Te whanaketanga o ngā wheako manuhiri

During the year we secured the funding for the refurbishment of City Gallery's entrance and orientation foyer and whilst delayed, due to the demand on engineering expertise, we started the scope of building works at Wellington Museum which is required to determine the extent of further earthquake strengthening. The City Gallery project is being supported by Lottery Grants Ngā Takuhe Rota and the Wellington City Council.

The visitor experience at Nairn Street Cottage is being transformed room-by-room so that each will tell the story of the Wallis family over different time periods; key items including a settee and some household ceramics which belonged to Clara Wallis have been donated.

Work has started on a concept about "observation" as a scientific endeavour and everyday activity using the Cable Car Precinct as its starting point, an area which has a history of scientific data collection and observation.

Staff Contribution
Ngā tāpaetanga kaimahi

To celebrate the contribution that staff make to the success of our organisation we introduced Experience Wellington Staff Awards in 2016 and offered these again in 2017 as a tangible way to recognise excellence. We received 42 nominations for achievements during 2016 and we made 17 awards in the categories of Values our Visitors; Team Spirit; Making a Difference to Wellington; and Growing a Sustainable Business.

The nominees and awardees are listed on page 53.

We farewelled Morag Zaric in January 2017 after 16 years service as a key member of the Capital E team.

The achievements of our staff are well documented throughout this report and the only remaining task for me is to thank them for the work they do, the innovation they bring to their work and the pleasure and inspiration they bring to our visitors and supporters.

Simon Jones, Buildings Manager / Health and Safety Coordinator and Phillip Robertson, Gallery Technician/Preparator celebrated 20 years' service. Photo: Zofia Miliszewska.

City Gallery Wellington team receiving an Experience Wellington Staff Award in the 'Making a Difference to Wellington' category for the 'Cindy Sherman Project'. Photo: Luke Calder Photography.

Financial performance
Ngā whakakitenga pūtea

This year's budget result is a true deficit of ($98,427) after depreciation compared to a true surplus of $34,928 in 2015-16. Overall we are reporting a deficit of ($223,927) compared to a reported surplus in 2015-16 of $262,428. The result includes accruals covering the cash deficits at Space Place and Hannah Playhouse underwritten by Council. The results also reflect the impact of changes in reporting standards which meant that in 2015-16 we recognised grants intended to fund activity that would take place in 2016-17 or future financial periods.

	2016-17 $	2015-16 $
Result prior to underwrites	(442,349)	121,537
Underwrite (Space Place)	157,535	140,891
Underwrite (Hannah Playhouse)	60,887	-
Reported Deficit/Surplus	**(223,927)**	**262,428**
Reserves (revenue in advance)	-	227,500
Reserves released	125,500	-
True Deficit/Surplus	**(98,427)**	**34,928**

Total revenue of $13.6 million ($12.54 million in 2015-16) was available for our operation inclusive of Council's baseline funding of $6.818 million. We raised $4.8 million or 40.7% of total revenue (excluding the Council's rental subsidy of $1.7 million). This compares to $3.9 million or 36.6% of total revenue in 2015-16.

Our main non-Council sources of revenue continue to be from trading $2.5 million ($2.0 million in 2015-16); contracts (Creative New Zealand and Ministry of Education) $0.87million ($0.82 million in 2015-16); and fundraising which includes grants from community trusts, donations and personal giving, and cash sponsorships $0.93 million ($0.47 million 2015-16).

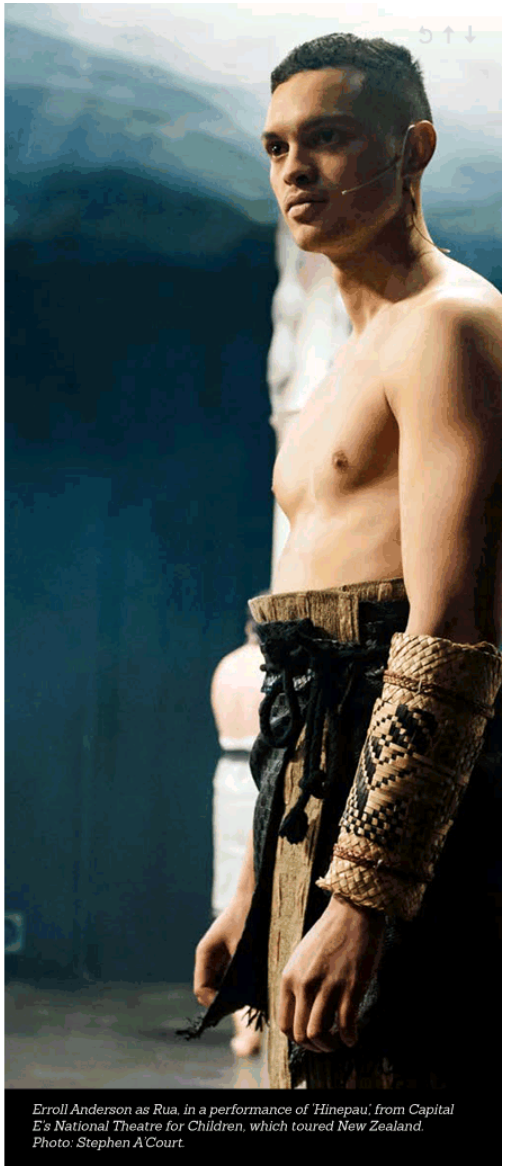
Total expenses were $13.9 million compared to $12.4 million in 2015-16.

The difference in both revenue and expenses, between this year and 2015-16 is the impact of the biennial Capital E National Arts Festival which was presented in March 2017 and the *Cindy Sherman* Exhibition.

The Year Ahead
Ā houanga

In addition to projects that are directly related to the visitor experience, over the next three years we will also pursue a number of initiatives designed to drive organisation change, to improve productivity and to achieve our objective to be a high performing, financially sustainable organisation. We will also pursue more effectively our Te Tiriti o Waitangi obligations at both governance and management level which will include a commitment that there is a Māori dimension in all plans and activities, and in what our visitors see, feel and experience.

Pat Stuart
Chief Executive

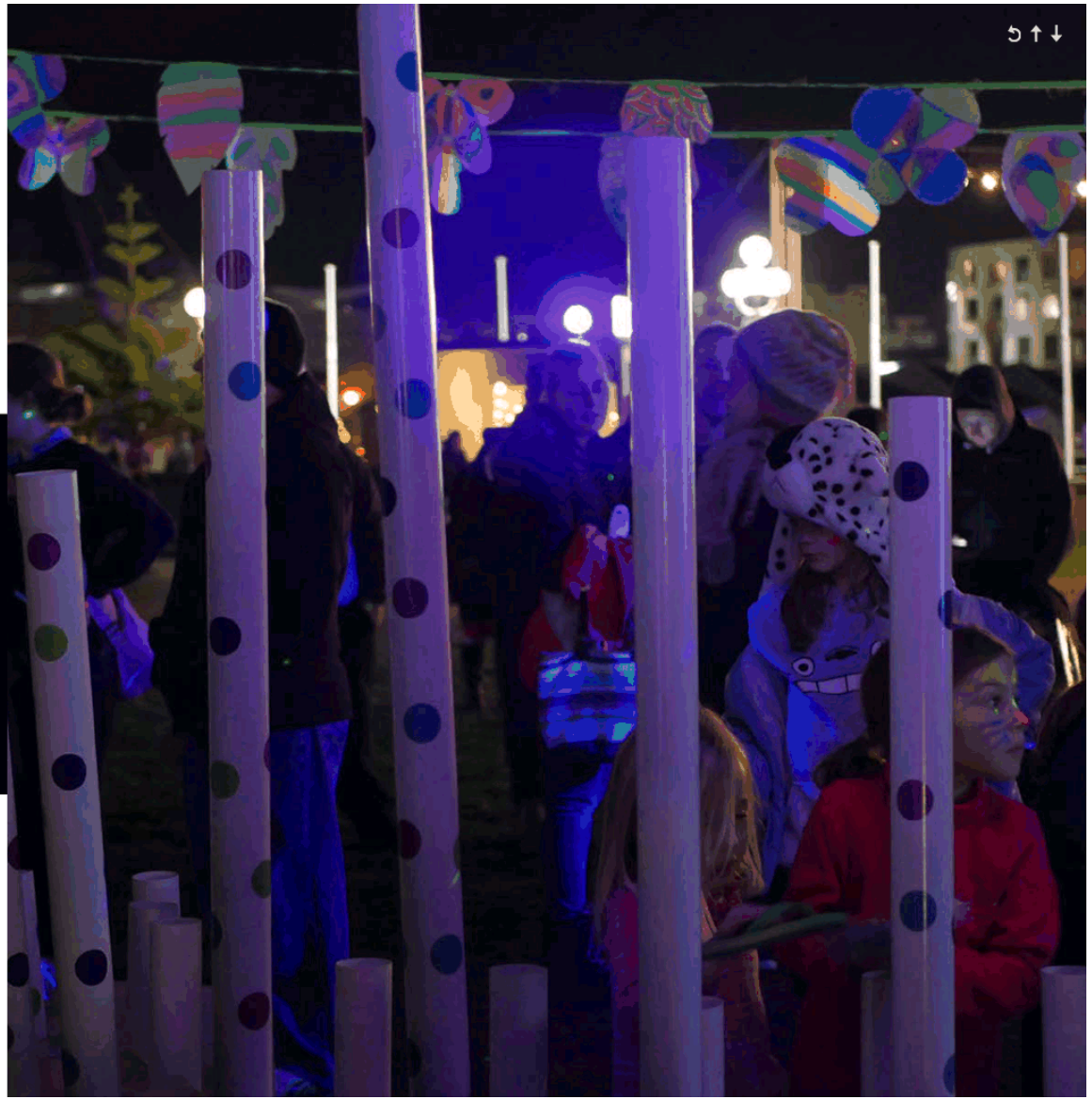


Erroll Anderson as Rua, in a performance of 'Hinepau', from Capital E's National Theatre for Children, which toured New Zealand. Photo: Stephen A'Court.

	2015-16 Achieved	2016-17 Achieved
Total Visitation[1]	79,120	161,869
Visitor Satisfaction[2]	93.2%	91%

Capital E exceeded its visitation target by nearly 57,000 visits which is a result of its reach into the community and its commitment to trying new things including the three interactive installations in the LUX Playground Precinct which resulted in over 35,000 visits over the ten nights of the 2017 LUX Festival. Capital E's project was a rich and exciting collaboration with Victoria University's School of Music and Te Papa, and included soundscapes co-produced with young people.

Capital E's LUX installation 'Electro Jungle'. Photo: Alpert Mendoza.



[1]The impact of the biennial Capital E National Arts Festival held in 2017 is reflected in the visitation variation between 2015-16 and 2016-17. Visitation also includes non-Capital E activity at Hannah Playhouse which in 2015-16 was 14,736 attendees and in 2016-17 was 19,166 attendees.

[2]Those that rated their experience as either Good or Very Good in Council's Annual Residents Awareness Survey.

The 8th biennial Capital E National Arts Festival attracted 47,783 visits including 167 school bookings. The programme included New Zealand and international artists presenting 16 works of physical theatre, opera, dance, and film. This Festival was the most accessible to date providing nearly 5,000 free encounters with our programme as a result of partnerships with CubaDupa and Te Papa; and a number of works presented for visitors with additional needs.

Performers with 'Bloom,' part of the 2017 Capital E National Arts Festival. Photo: Stephen A'Court.

Odd Lands, the Festival's new initiative, provided a lunchtime outdoor component for schools which shared the fun of the Festival with Wellingtonians.

Binge Culture performing 'Whales' in the 2017 Capital E National Arts Festival. Photo: Stephen A'Court.

The Roxy5 Short Film Competition continues to go from strength to strength and in 2017 the Ministry for Youth Development contributed funding in recognition of the student-led design which empowers young people to explore their creativity and agency – connecting them to experiences with industry professionals that money can't buy, so they can tell the stories that matter to them in their own way.

Above: Red Carpet Screening evening for the Roxy5 Short Film Competition. Photo: Justine Hall.

Right: Wellington High School take out the Supreme Award for their film 'Shelter' at the Roxy5 Short Film Competition. Photo: Justine Hall.

Queens Wharf was transformed with roaming performers, theatre, music and dance for a Steampunk-themed *The Big Halloween*. 4,000 visitors enjoyed immersive, spooky walk-through experiences within Wellington Museum and scary virtual reality experiences at Capital E.

Children enjoying Capital E's 'The Big Halloween.' Photo: Duo Photography.

The Capital E National Theatre for Children's *Hinepau* directed by Jamie MacCaskill toured to 14 centres nationally and delighted 5,300 children. *Hinepau* explores themes of kaitiakitangi and this production has now been translated into Te reo Māori for a tour to kura and marae through our partnership with Taki Rua.

Carrie Green as the title character in Capital E's 'Hinepau.' Photo: Stephen A'Court.

The focus at Hannah Playhouse has been on occupancy, marketing and facility improvements. The team has worked hard to bring in new business and to promote an 'open for business' philosophy within the arts community. As a result we have seen a diverse range of shows including community groups, local and touring theatre companies such as the Indian Ink Theatre Company and the Capital E National Arts Festival.

'Sticks Stones and Broken Bones' by Bunk Puppets Australia – part of the 2017 Capital E National Arts Festival. Photo: Stephen A'Court.

Refer page 57 for details of programmes and events at Capital E during 2016-17.

City Gallery Wellington
Te Whare Toi

	2015-16 Achieved	2016-17 Achieved
Total Visitation	178,228	180,616
Visitor Satisfaction[1]	93.1%	95%

Cindy Sherman (19 November 2016 – 19 March 2017) at City Gallery Wellington brought the work of one of the world's most influential artists to New Zealand for the first time in decades. We were rewarded with considerable national media attention and new partnerships, while deepening relationships with existing ones. The exhibition was accompanied by an active public programme of events including a series of panel discussions on contemporary feminism produced in partnership with RNZ National, which were later broadcast.

'Contemporary Feminism: Ageing and Agency' panellists: Kim Hill (chair), Miranda Harcourt, Ella Henry, Jacqueline Fahey and Claire Robinson. Photo: Vanessa Patea.

[1]*Those that rated their experience as either Good or Very Good in Council's Annual Residents Awareness Survey.*

Fiona Pardington: A Beautiful Hesitation finished its tour to three venues at Christchurch Art Gallery (3 July – 6 November 2016) and *Francis Upritchard: Jealous Saboteurs*, which closed at City Gallery on 16 October 2016, toured to Christchurch Art Gallery (25 March – 16 July 2017) and Dunedin Public Art Gallery (12 August – 26 November 2017). The Chief Curator, Robert Leonard, led work with Francis Upritchard's UK partners to produce a significant publication, which has been showcased at Frieze Art Fair in London and has accompanied her exhibition on tour.

'Francis Upritchard: Jealous Saboteurs', May to October 2016. Photos: Mark Tantrum.

Colin McCahon: On Going Out with the Tide was the first significant exhibition of McCahon's work in 15 years bringing together a body of work that has never been shown together and which examines the Māori content in his work.

'Colin McCahon: On Going Out with the Tide', April to July 2017. Photos: Elias Rodriguez and Mark Tantrum.

Education and Public programmes at City Gallery are an important strategy in building a loyal audience. The team achieved significant success with the education programme developed in association with the exhibition *Bullet Time* (25 March – 10 July 2016) which was shortlisted as a finalist in the 2017 Service IQ Museums Aotearoa Awards in the category of innovative public programme.

Children discover the delights of the zoetrope in the 'Bullet Time' education programme. Photo: Mark Tantrum.

ANZ Family Day, held in September 2016 and April 2017, was developed by the education team and continues to be very popular.

Photos: Elias Rodriguez and Mark Tantrum.

The Deane Endowment Trust supported lectures that accompanied the exhibition *Colin McCahon: On Going Out with The Tide*. The Deane Lectures generated new research on McCahon and stimulated discussion about many current topics of interest.

Ngāi Tuhoe kaumātua Tāmati Kruger and former Prime Minister the Rt. Hon. Jim Bolger in conversation with journalist Wena Harawira discussing the Ngāi Tuhoe Treaty settlement. Photo: Mark Tantrum.

Refer page 57 for details of exhibitions, programmes and events at City Gallery during 2016-17.

Wellington Museum

	2015-16 Achieved	2016-17 Achieved
Total Visitation	133,470	138,956
Visitor Satisfaction[1]	97.6%	96%

Ngā Heke opened in November 2016 at Wellington Museum and includes stories of Māori migration, enhanced through the art and writing of contemporary Māori artists and writers, and a selection of objects such as the Evergreen Coffee House sign to illustrate different perspectives of the social and cultural history of our city.

Top: Artist Sandy Rodgers stands next to her painting 'Early Days in Māoriland' at the opening of 'Ngā Heke'. Photo: Tom Etuata.

Bottom: Matariki 2017 celebration 'Te Oro O Ngā Whetū: The Echo of The Stars' held at 'Ngā Heke', Wellington Museum. Photo: Vanessa Rushton Photography.

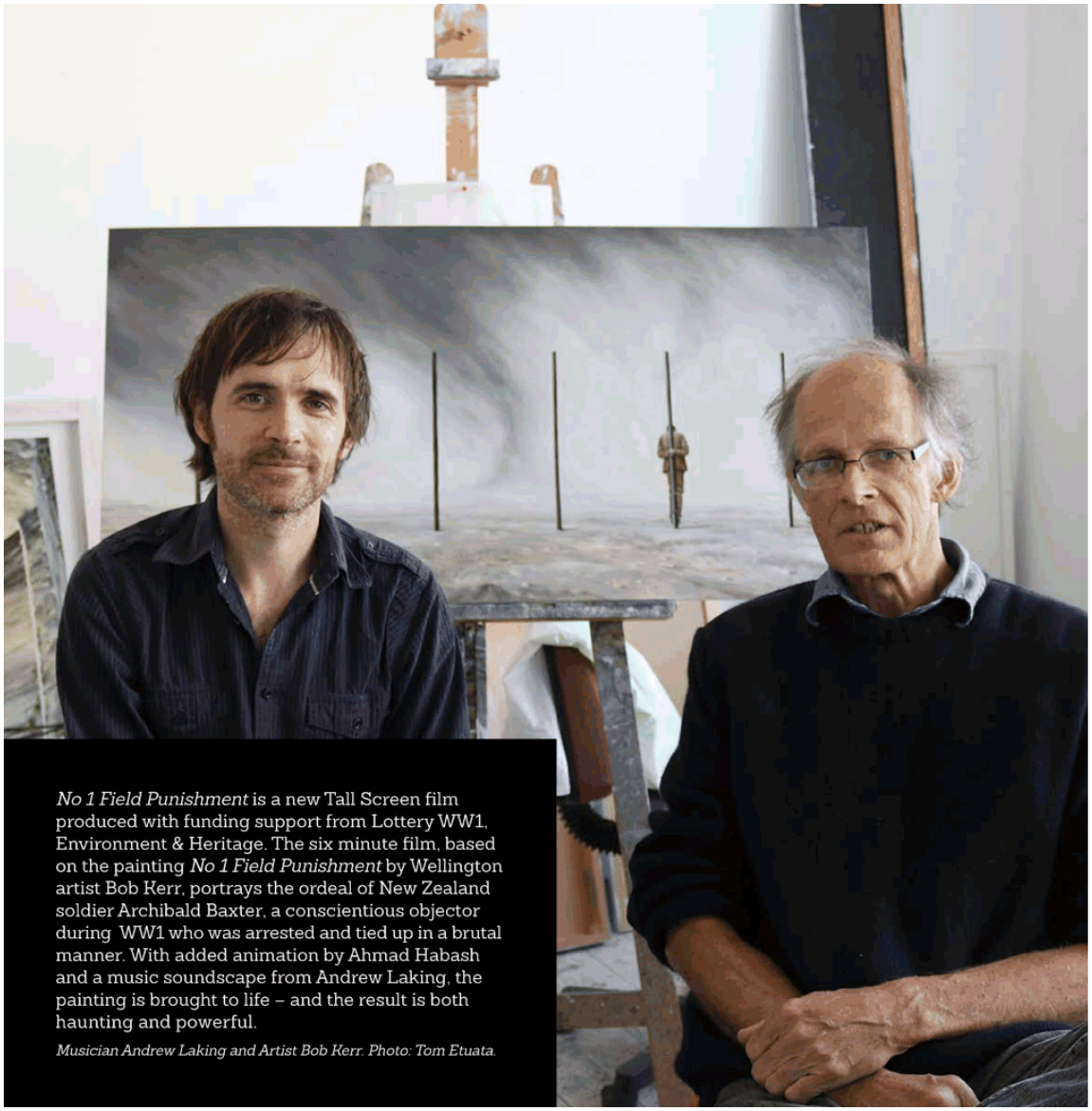
[1]*Those that rated their experience as either Good or Very Good in Council's Annual Residents Awareness Survey.*

Flux, is a new dynamic space aimed at 18 – 30 year olds which is open for the community to share their stories through art, photography, performance and more. Decisions about how *Flux* operates and what happens in the space will be made by a co-operative advocating for community voices.

Above: Local artists work with London street artist Cityzen Kane in the new Flux space at Wellington Museum. Photo: Tom Etuata.

Right: 'Dog Life Drawing' in the Flux space at Wellington Museum. Photo: Bena Jackson.

Far Right: Flux opening at Wellington Museum. Photo: Tamsin Falconer.



No 1 Field Punishment is a new Tall Screen film produced with funding support from Lottery WW1, Environment & Heritage. The six minute film, based on the painting *No 1 Field Punishment* by Wellington artist Bob Kerr, portrays the ordeal of New Zealand soldier Archibald Baxter, a conscientious objector during WW1 who was arrested and tied up in a brutal manner. With added animation by Ahmad Habash and a music soundscape from Andrew Laking, the painting is brought to life – and the result is both haunting and powerful.

Musician Andrew Laking and Artist Bob Kerr. Photo: Tom Etuata.

An upgrade of the exhibition at Old Bank Arcade contextualises the Plimmer's Ark (Inconstant) timbers including the story of John Plimmer, which are in situ under the floor of the Old Bank Arcade complex. The project was supported by Walk Wellington. The display now includes a timeline of significant historic Wellington buildings.

Photo: Tom Etuata.

Refer page 57 for details of exhibitions, programmes and events at Wellington Museum during 2016-17.

Space Place

	2015-16 Achieved	2016-17 Achieved
Total Visitation	52,838	54,109
Visitor Satisfaction[1]	99.5%	100%

The popularity of Space Place continues to grow aided by a programming strategy that encourages participation. This year's highlights included the Infinity Foundation's support for students from low decile schools participating in a robotic building programme funded by Pub Charity and our partnership with Orchestra Wellington to provide the visual effects for its gala finale concert in December 2016, which featured Gustov Holst's *The Planets*.

A new planetarium show *Matariki Dawn* explores the cultural and astronomical aspects of Matariki and also includes the animated tale of Rangi and Papatuanuku and the new story of Rona and the Moon.

Top: Photo: Tom Etuata.

Bottom: Space Place working with Orchestra Wellington for their gala finale concert in December 2016. Photo: Tom Etuata.

[1]*Those that rated their experience as either Good or Very Good in Council's Annual Residents Awareness Survey.*

Refer page 57 for details of programmes and events at Space Place during 2016-17.

Cable Car Museum

	2015-16 Achieved	2016-17 Achieved
Total Visitation	241,638	242,250
Visitor Satisfaction[1]	89.3%	89%

The Cable Car Museum's attraction is as strong as ever and sitting on the Grip Car, which was retired from service in 1978, is a favourite activity for visitors.

Wellington City Councillors Chris Calvi-Freeman, Jill Day, David Lee and Diane Calvert during a visit to the Cable Car Museum in early May 2017.

Photo: Pat Stuart.

[1]*Those that rated their experience as either Good or Very Good in Council's Annual Residents Awareness Survey.*

Refer page 57 for details of programmes and events at Cable Car Museum during 2016-17.

Nairn Street Cottage

	2015-16 Achieved	2016-17 Achieved
Total Visitation	2,875	2,614
Visitor Satisfaction[1]	91%	100%

The craftsmanship of William Wallis, builder and first owner of the Nairn Street Cottage continues to provide inspiration for today's architectural students.

Museums Wellington Programmes Developer, Nell Thomas, takes students from the Victoria University of Wellington School of Architecture through a tour of Nairn Street Cottage.

Photo: Tom Etuata.

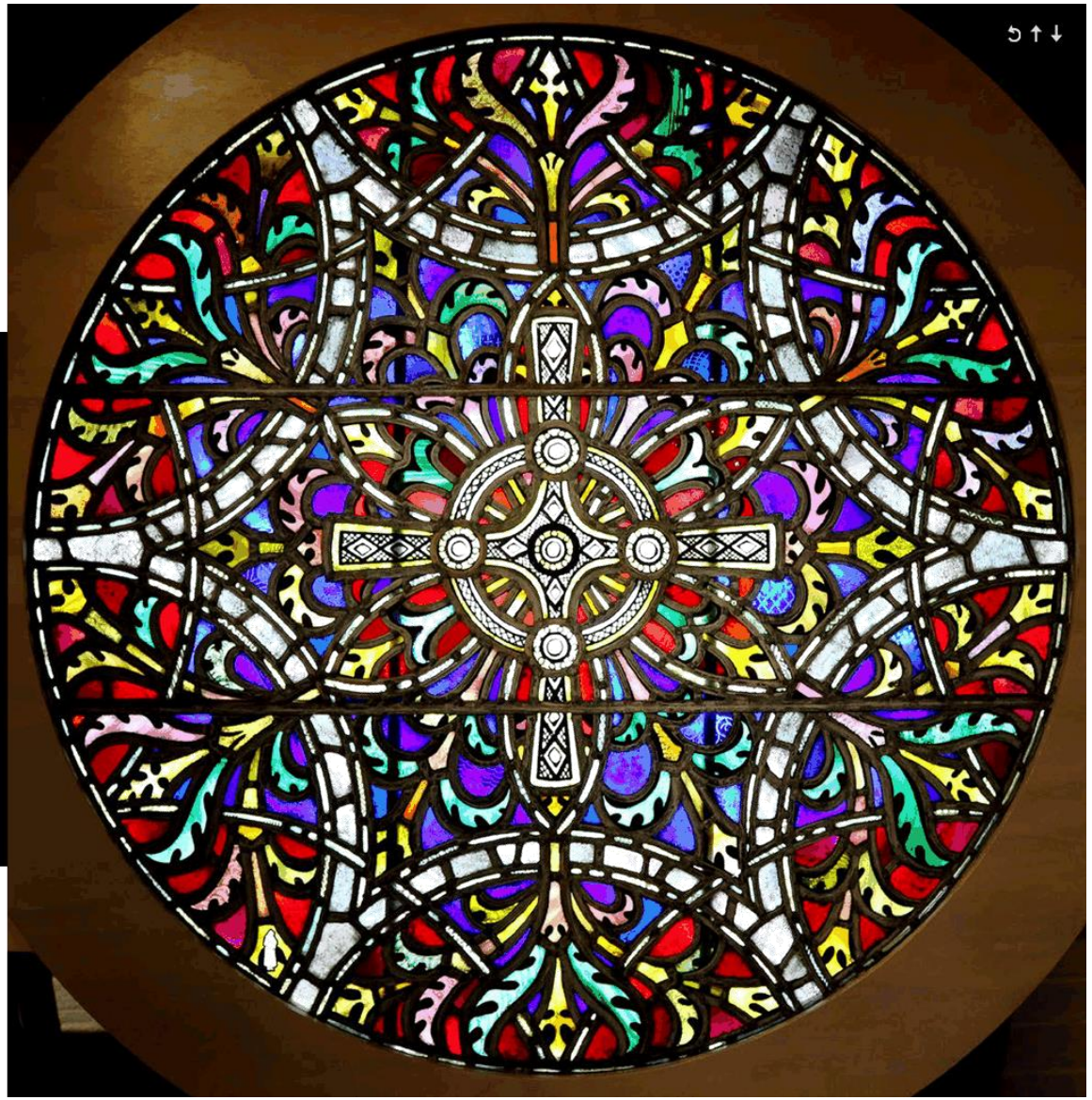
[1]*Those that rated their experience as either Good or Very Good in Council's Annual Residents Awareness Survey.*

Refer page 57 for details of programmes and events at Nairn Street Cottage during 2016-17.

Heritage Collections

The focus of our collections is the heritage and histories of tangata whenua and other peoples of Wellington - Te Upoko o Te Ika a Māui - and the Carter Observatory's historic role as the National Observatory. The recent acquisition of the stained glass Rose window from St Cuthbert's in Berhampore, a much loved centre piece of the church, is a good example of the work we do. St Cuthbert's was demolished after being declared earthquake prone in March 2015 and the combination of quick thinking and the generosity of the St Cuthbert's parish meant that 26 items from the Church including the Rose window are now part of the Collections.

St Cuthbert's Church, Berhampore, Rose Stained Glass window, circa 1950s, currently on display in 'Ngā Heke', Wellington Museum. Photo: David Waller.



NEW ZEALAND CRICKET MUSEUM

	2015-16 Achieved	2016-17 Achieved
Total Visitation	5,548	3,091
Visitor Satisfaction[1]	70.9%	77%

Over nine hundred collection items have been added to the Museum's online database and it received 40 items for the collection including significant objects from former New Zealand players, Trish McKelvey and Bob Blair. It is estimated that there are more than 25,000 objects in the Museum's collection, including some 4,000 cricket books, making it one of the most significant collections on the history of the game anywhere in the world.

Cricket bats, spanning 1930 to 2010, from the Cricket Museum collection. Photo: Jamie Bell.

[1]*Those that rated their experience as either Good or Very Good in Council's Annual Residents Awareness Survey.*

The New Zealand Cricket Museum is now among the top 10 most-followed New Zealand Museums on Facebook and the top 5 on Twitter. The Museum has also grown the Friends of the New Zealand Cricket Museum programme with members given access to exclusive content and discounts through regular newsletters.

Screenshot of activity on the New Zealand Cricket Museums Facebook page.

Education

The delivery of learning programmes is a core function of our visitor experiences and supported by contract funding from the Ministry of Education through its Learning Experiences Outside the Classroom programme. This year we welcomed 83,365 students, boosted by the biennial Capital E National Arts Festival, exceeding our target. This was an increase on the previously comparable year, 2014-15, when we welcomed 81,213 students. We also coordinated visits to Wellington for 2,763 students and teachers from lower decile schools to 13 nationally-significant institutions (which includes Wellington Museum).

	2015-16 Achieved	2016-17 Target	2016-17 Achieved
Capital E	20,561	64,206	64,613
City Gallery Wellington	4,644	4,500	6,106
Space Place	7,915	3,500	6,040
Cable Car Museum	6,976	7,000	6,604
Nairn Street Cottage			
Wellington Museum			
Total	40,096	79,206	83,365

City Gallery Wellington Educator, Claire Hopkins, guides a class through the 'Cindy Sherman' exhibition. Photo: Mark Tantrum.

INDEPENDENT AUDITOR'S REPORT

To the readers of Wellington Museum Trust Incorporated's Financial Statements and Performance Information for the year ended 30 June 2017

The Auditor-General is the auditor of Wellington Museums Trust Incorporated (the Trust). The Auditor-General has appointed me, David Gates, using the staff and resources of KPMG, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

Opinion

We have audited:

- the financial statements of the The Trust on pages 36 to 51, that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 29 to 35.

In our opinion:

- the financial statements of the Trust on pages 36 to 51:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2017; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Accounting Standards applying the reduced disclosure regime.
- the performance information of the Trust on pages 29 to 35 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2017.

Our audit was completed on 9 August 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Trustees for the financial statements and the performance information

The Board of Trustees is responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees also responsible for preparing the performance information for the Trust.

The Board of Trustees are responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Board of Trustees also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Trustees intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Board of Trustee's responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Trust's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1(Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.

David Gates
KPMG
On behalf of the Auditor-General
Wellington, New Zealand

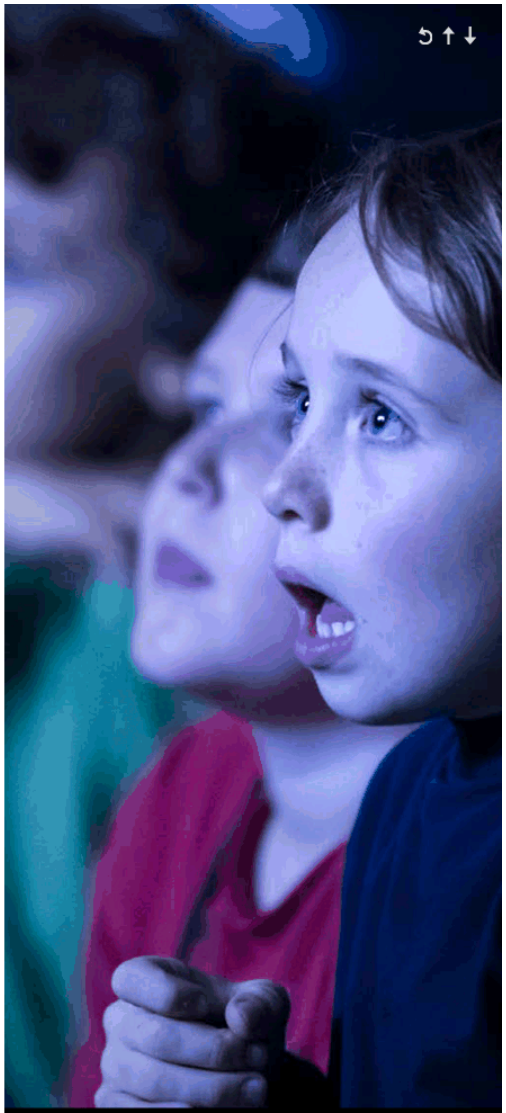
School children visit the exhibition 'Bullet Time' at City Gallery Wellington. Photo: Mark Tantrum.

Our Visitors
Ā mātou manuhiri

We operate popular visitor attractions.

Outputs		Status at 30 June 2016	Measures 2016-17	Status at 30 June 2017
		Achieved Total 688,169 visits.	Total visits of 659,000 are achieved.	Achieved **Total 780,414 visits.**
Physical Visitation	City Gallery Wellington	178,228	150,000	180,616
	Wellington Museum	133,470	134,000	138,956
	Capital E[1]	79,120	105,000	161,869
	Cable Car Museum	241,638	220,000	242,250
	Space Place	52,838	46,800	54,109
	Nairn Street Cottage	2,875	3,200	2,614
		Achieved Total 293,810 unique visits.	Total unique visits of 250,000 to institutional web/mobile sites are achieved.	Achieved **Total 255,826 unique visits.**
Virtual Visitation	City Gallery Wellington	126,804	110,000	110,381
	Museums Wellington	116,743	78,000	99,826
	Capital E	50,263	62,000	45,619
		Achieved Snapshot of 41,601 Facebook friends and Instagram and Twitter followers.	Snapshot target of 41,890 Facebook friends and Instagram and Twitter followers.	Achieved **Snapshot of 51,271 Facebook friends and Instagram and Twitter followers.**
Social Media Profile	City Gallery Wellington	24,266	22,000	29,825
	Museums Wellington[2]	5,887	6,590	7,675
	Capital E	4,089	4,500	5,169
	Space Place	7,359	8,800	8,603

[1] 2016-17 was a Capital E National Arts Festival year.
[2] Museums Wellington includes Wellington Museum, Cable Car Museum and Nairn Street Cottage. It excludes Space Place which has its own Social Media Profile.



Audience mesmerised at the Capital E Roxy5 Short Film competition screening. Photo: Justine Hall.

Our Visitors continued

Outputs		Status at 30 June 2016	Measures 2016-17	Status at 30 June 2017
		Not Achieved An average of 89% of visitors rated the quality of their experience as good or very good.	An average of 90% of visitors rate the quality of their experience as good or very good.	Achieved An average of 91% of visitors rated the quality of their experience as good or very good.
Quality of Visit[3]	City Gallery Wellington	89%	90%	92%
	Wellington Museum	89%	90%	92%
	Capital E	97%	90%	97%
	Cable Car Museum	75%	90%	82%
	Space Place	90%	90%	89%
	Nairn Street Cottage	86%	90%	97%
		Achieved An average of 44% repeat visitation.	An average of 30% repeat visitation is achieved.	Achieved An average of 37% repeat visitation.
Repeat Visitation	City Gallery Wellington	63%	40%	67%
	Wellington Museum	28%	25%	26%
	Capital E	59%	40%	55%
	Cable Car Museum	23%	25%	18%
	Space Place	15%	22%	20%

[3]*Quality is measured in terms of: the relevance of the experience; information acquired; friendliness of staff; length of visit, and overall enjoyment.*

Visitor at 'Petra Cortright: RUNNING NEO-GEO GAMES UNDER MAME', City Gallery Wellington, April to July 2017. Photo: Elias Rodriguez.

Our City
Tā mātou tāone

We make a compelling contribution to Wellington's economy and standing as the arts and cultural capital of New Zealand.

Outputs		Status at 30 June 2016		Measures 2016-17	Status at 30 June 2017	
City Residents' Awareness (Annual Survey)[4]	City Gallery Wellington	95%	Achieved	95%	90.1%	Not Achieved
	Wellington Museum	97%	Achieved	95%	90.1%	Not Achieved
	Capital E	90%	Achieved	90%	87.2%	Not Achieved
	Cable Car Museum	97%	Achieved	95%	94.0%	Not Achieved
	Space Place	97%	Achieved	95%	87.0%	Not Achieved
	Nairn Street Cottage	58%	Not Achieved	60%	50.1%	Not Achieved

[4] *The number of Wellingtonians who know about our visitor experiences, as assessed through the Annual Residents' (ratepayers') Survey conducted by Council.*

'The Big Halloween' at Capital E. Photo by Duo Photography.

Our Sustainability
Tā mātou whakapūmautanga

We remain financially viable.

Outputs		Status at 30 June 2016	Measures 2016-17	Status at 30 June 2017
		Achieved $3,049,374 of non-Council revenue.	$4,144,000 of non-Council revenue is achieved.	Achieved $4,847,283 of non-Council revenue.
Non-Council Revenue	City Gallery Wellington[5]	$609,542	$1,284,000	$1,183,565
	Museums Wellington[6]	$671,532	$573,000	$1,031,325
	Capital E[7]	$1,023,489	$1,534,000	$1,825,256
	Space Place	$539,519	$588,000	$496,813
		Not Achieved $2.51 was the average spend per visitor	The average spend per visitor is $3.52	Not Achieved $3.07 was the average spend per visitor.
Spend per Visitor	City Gallery Wellington[8]	$1.18	$4.67	$2.00
	Museums Wellington[9]	$1.97	$1.30	$2.25
	Capital E[10]	$3.20	$5.48	$4.03
	Space Place	$8.39	$10.38	$9.56
		Achieved $9.85 was the average subsidy per visit.	The average subsidy per visit is $10.45	Achieved $8.89 was the average subsidy per visit.
Subsidy per Visit	City Gallery Wellington	$11.53	$12.87	$12.36
	Museums Wellington[11]	$4.29	$5.34	$4.55
	Capital E[12]	$16.02	$14.36	$9.32
	Space Place	$8.89	$10.59	$9.33

[5, 8] *City Gallery Wellington revenue in 2016-17 was boosted by the Cindy Sherman exhibition.*

[6, 9, 11] *Museums Wellington includes Wellington Museum, Cable Car Museum and Nairn Street Cottage. It excludes Space Place at Carter Observatory which is reported separately.*

[7, 10] *2016-17 was a Capital E National Arts Festival year.*

[12] *Includes the rental subsidy now used to fund leased accommodation for Capital E.*

The 2000 ICC Knockout Trophy, the only major tournament won by the BLACKCAPS, at the New Zealand Cricket Museum. Photo: Jamie Bell.

Our People
Ā mātou Iwi

We are a good employer.

Outputs	Status at 30 June 2016	Measures 2016-17	Status at 30 June 2017
Health and Safety	Achieved No serious harm incidents reported.	No preventable serious harm incidents involving workers or visitors as defined by the Health and Safety at Work Act 2015.	Achieved No serious harm incidents reported.
Staff Satisfaction	Achieved 85% Response rate to survey and 75% of respondents feel engaged with Experience Wellington.	Staff feel engaged with Experience Wellington – Based on staff feedback gathered in the Annual Staff Engagement Survey.	Achieved 83% Response rate to survey and 72% of respondents feel engaged with Experience Wellington.

Our Heritage
Ā mātou taonga tuku iho

We develop and manage our heritage collections.

Outputs	Status at 30 June 2016	Measures 2016-17	Status at 30 June 2017
% of items aligned with Collections Policy	Not Achieved 75% Aligned[13]	85% of items are aligned with the Collections Policy	Not Achieved 75% aligned.

[13] In 2015-16 we did not achieve the 85% target due to a focus on the development of Wellington Museum.

Experience Wellington staff explore the Museum Collection Store during New Staff Induction Day. Photo: Zofia Miliszewska.

Council's Ownership Interest
Ngā moni whakatupu o te Kaunihera

Council's Ownership Interest refers to expenses which Council meets including insurance, rates, depreciation, interest and repairs and maintenance of buildings which are owned by Council and Experience Wellington occupies. Experience Wellington neither manages nor controls these expenses. Prior to 2014-15 Capital E occupied a Council owned building on Civic Square which was covered by a rental grant. Capital E now occupies other premises which are paid for with the rental grant.

For further information about Experience Wellington's operating profile refer to the Financial Statements Notes 4, 5 and 6.

		COUNCIL'S RENTAL GRANT	COUNCIL'S ACTUAL OWNERSHIP INTEREST 2015-16	COUNCIL'S ACTUAL OWNERSHIP INTEREST 2016-17
Council's Ownership Interest	City Gallery Wellington	$636,660[14]	$656,567	$613,873
	Cable Car Museum		$72,587	$59,660
	Nairn Street Cottage		$24,438	$20,985
	Wellington Museum	$701,825[15]	$622,560	$584,127
	Space Place		$536,606	$404,371
	Capital E	$430,495[16]		
	Total	$1,762,980	$1,912,758	$1,683,016

[14] Offset by the rental grant.

[15] Offset by the rental grant.

[16] Retained to pay rent to third party landlords.

Whitereia Performing Arts show 'Kanikani' captivated audiences at the 2017 Capital E National Arts Festival. Photo: Stephen A'Court.

Performer Fraser Hooper and volunteer enjoy 'Country Life' at the 2017 Capital E National Arts Festival. Photo: Stephen A'Court.

Statement of Financial Position
Te tauākī tūnga pūtea

For the year ended 30 June 2017 – *In New Zealand Dollars*

Assets	Note	2017 Actual	2017 Forecast	2016 Actual
Property, plant and equipment	7	2,067,147	2,137,000	2,238,092
Collection and artefacts	8	2,338,816	2,339,000	2,338,816
Intangible assets	9	15,896	8,000	8,451
Total non-current assets		4,421,859	4,484,000	4,585,359
Inventories		141,018	138,000	135,622
Trade and other receivables	10	649,425	270,000	730,048
Cash and cash equivalents	11	879,685	1,065,000	1,722,343
Total current assets		1,670,128	1,473,000	2,588,013
Total assets		**6,091,987**	**5,957,000**	**7,173,372**
Equity				
Reserves	12	2,601,388	2,723,000	2,724,247
Retained earnings	12	1,912,657	2,014,000	2,013,725
Total equity		4,514,045	4,737,000	4,737,972
Liabilities				
Employee benefits	13	34,635	49,000	48,746
Total non-current liabilities		34,635	49,000	48,746
Trade and other payables	14	1,308,357	871,000	2,092,023
Employee benefits	13	234,950	300,000	294,631
Total current liabilities		1,543,307	1,171,000	2,386,654
Total liabilities		1,577,942	1,220,000	2,435,400
Total equity and liabilities		**6,091,987**	**5,957,000**	**7,173,372**

Trustee
9 August 2017

Trustee
9 August 2017

Statement of Comprehensive Revenue and Expense

Te tauākī o ngā whiwhinga moni whānui

For the year ended 30 June 2017 - *In New Zealand Dollars*

	Note	2017 Actual	2017 Forecast	2016 Actual
Revenue	4	13,594,673	12,640,000	12,535,049
Total revenue		**13,594,673**	**12,640,000**	**12,535,049**
Personnel expenses	6	(5,894,870)	(5,531,000)	(5,405,295)
Depreciation and amortisation expenses	7, 9	(548,061)	(436,000)	(467,302)
Other operating expenses	5	(7,433,843)	(6,912,000)	(6,508,303)
Total operating expenses		**(13,876,774)**	**(12,879,000)**	**(12,380,900)**
Operating surplus/(deficit) before finance income		(282,101)	(239,000)	154,149
Finance income		58,174	90,000	108,279
Net finance income		58,174	90,000	108,279
Surplus/(Deficit) for the period		(223,927)	(149,000)	262,428
Total comprehensive income for the period		**(223,927)**	**(149,000)**	**262,428**

Statement of Changes in Equity

Te tauākī nekeneke tūtanga

For the year ended 30 June 2017 - *In New Zealand Dollars*

	Note	2017 Actual	2017 Forecast	2016 Actual
Balance at 1 July 2016	12	4,737,972	4,886,000	4,475,544
Surplus/ (Deficit) for the period		(223,927)	(149,000)	262,428
Total comprehensive income for the period		**(223,927)**	**(149,000)**	**262,428**
Balance at 30 June 2017	12	4,514,045	4,737,000	4,737,972

Statement of Cash Flows
Te tauākī kapewhiti

For the year ended 30 June 2017 – *In New Zealand Dollars*

	Note	2017 Actual	2017 Forecast	2016 Actual
Cash Flows from Operating Activities				
Cash was provided from:				
Receipts from customers		4,149,575	4,514,000	3,404,966
Receipts from related parties		9,189,561	8,586,000	11,269,243
		13,339,136	13,100,000	14,674,209
Cash was applied to:				
Payments to suppliers and employees		(12,229,222)	(10,996,000)	(12,174,316)
Payments to related parties		(1,476,789)	(1,769,000)	(3,280,205)
Net GST received/(paid)		(133,155)	(748,000)	272,583
		(13,839,166)	(13,513,000)	(15,181,938)
Net Cash Inflow from Operating Activities	18	(500,030)	(413,000)	(507,729)
Cash Flows from Investing Activities				
Interest received		58,174	90,000	108,279
Cash was applied to:				
Purchase of property, plant and equipment		(400,802)	(334,000)	(944,479)
Net Cash Outflow from Investing Activities		(342,628)	(244,000)	(836,200)
Cash Flows from Financing Activities				
Net Cash Inflow from Financing Activities		-	-	-
Net Increase/(Decrease) in cash and cash equivalents		(842,658)	(657,000)	(1,343,929)
Cash and cash equivalents at the beginning of the period		1,722,343	1,722,000	3,066,272
Cash and cash equivalents at the end of the period	11	879,685	1,065,000	1,722,343

Notes to the Financial Statements

Ngā whakamārama mō ngā tauākī pūtea

Significant Accounting Policies

1) Reporting Entity

The Wellington Museums Trust Incorporated, now trading as Experience Wellington, is a registered charity under the Charities Act 2005 and domiciled in New Zealand. It is a Wellington City Council (Council) Controlled Organisation (CCO) in terms of the Local Government Act 2002.

The financial statements of Experience Wellington include the activities of the following business units: the Wellington Museums Trust; Wellington Museum; City Gallery Wellington; Capital E; Nairn Street Cottage; Cable Car Museum; and Space Place at Carter Observatory.

The principal activity of Experience Wellington is to manage and develop cultural institutions and to operate them for the benefit of the residents of Wellington and the public generally.

The financial statements of Experience Wellington are for the year ended 30 June 2017. The financial statements were authorised for issue by the Trustees on 9 August 2017.

2) Basis of Preparation

a) Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Tier 2 Public Benefit Entity Standards. Experience Wellington is a public sector entity and is listed in Schedule 2 of the Public Audit Act 2001. The criteria under which Experience Wellington is eligible to report in accordance with Tier 2 PBE Standards are that it is not publicly accountable and is not large and disclosure concessions have been applied.

b) Basis of Measurement

The financial statements are prepared on the historical cost basis.

c) Presentation Currency

These financial statements are presented in New Zealand dollars ($).

3) Significant Accounting Policies

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

a) Property, Plant and Equipment

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses.

(i) Subsequent Costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to Experience Wellington and the cost of the item can be measured reliably. All other costs are recognised in surplus/ (deficit) as an expense as incurred.

(ii) Depreciation

Depreciation is charged to surplus/ (deficit) using the straight line method. Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. The estimated useful lives of major classes of assets and resulting rates are as follows:

• Computer & AV equipment	33% SL
• Office and equipment	25% SL
• Motor vehicles	20% SL
• Building Fittings	5%-25% SL
• Exhibitions	10% SL
• Collections & artefacts	Not depreciated

The residual value of assets is reassessed annually.

b) Collections and Artefacts

Collections are artefacts that are of cultural or historical importance. A substantial amount of the Collections were acquired on 29 February 1996 from the Wellington Maritime Museum Trust (WMMT) with others added either as gifts or purchases since 1996. Collections are carried at historic cost as assessed at the time of transfer from the WMMT. All subsequent acquisitions to the collections are recorded at cost if purchased. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. Where the fair value of the assets is not able to be reliably measured, they are recorded at nil. Because the useful life of the collections is indeterminate they are not depreciated.

An external valuation of the Collections from an independent valuer is obtained on a periodic basis to ensure that the carrying value of the Collections that are held at cost does not exceed their fair value.

The Trustees obtained a valuation at 30 June 2014 and have confirmed that the carrying value at 30 June 2017 is appropriate and that no impairment has occurred.

c) Intangible Assets

Computer Software

Software applications that are acquired by Experience Wellington are stated at cost less accumulated amortisation and impairment losses.

Amortisation is recognised in surplus/ (deficit) on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

• Computer software	33% SL

d) Trade and Other Receivables

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

e) Inventories

Inventories (merchandise) are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

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.

f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits.

g) Impairment

The carrying amounts of Experience Wellington's assets other than inventories 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 for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Notes to the Financial Statements

Continued

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is also recognised in the surplus or deficit.

h) Employee Benefits

Long Service Leave

Experience Wellington's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market yield on relevant New Zealand government bonds at the Statement of Financial Position date.

i) Provisions

A provision is recognised when Experience Wellington 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 discount rate that reflects current market rates and, where appropriate, the risks specific to the liability.

j) Trade and Other Payables

Trade and other payables are stated at cost.

k) Revenue

(i) Funding

The trading activities of Experience Wellington are supported by grants and sponsorship. Grants received that have an obligation in substance to return the funds if conditions of the grant are not met are initially recognised as a liability and revenue is recognised only when the services are performed or conditions fulfilled. Funds that have no such obligation attached, and merely a restriction imposed on the use of the funds, are recognised as revenue when they become available.

(ii) Services Provided

Revenue from services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date. Income is recognised as the service is provided (e.g. exhibition run). Where exhibitions are not scheduled to run until the following fiscal year, revenue is deferred and amortised to income throughout the period of the exhibition.

(iii) Donations

Cash donations from the community are recognised in the Statement of Comprehensive Income at the point at which they are receipted into the Trust's bank account.

(iv) Sale of Merchandise

Revenue from the sale of merchandise is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of the merchandise, or where there is continuing management involvement with the merchandise.

l) Expenses

(i) Operating Lease Payments

Payments made under operating leases are recognised in surplus/ (deficit) on a straight-line basis over the term of the lease. Lease incentives received are recognised in surplus/ (deficit) over the lease term as an integral part of the total lease expense.

(ii) Finance Income and Expenses

Finance income comprises interest income. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in surplus/ (deficit) using the effective interest method.

m) Availability of Future Funding

Experience Wellington is reliant on the Council for a large part of its income and operates under a Funding Deed with the Council. The Funding Deed was for a period of three years and is extended annually for a further year subsequent to the initial 3 year term. Funding from the Council has been approved for the year ended 30 June 2018.

The Council has agreed to fund $430,494.96 (plus GST) being the current proportion of rental subsidy previously allocated to the Capital E building rental, for use by Experience Wellington for Capital E's interim accommodation.

If Experience Wellington was unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the fact that assets may need to be realised other than at the amounts stated in the balance sheet. In addition, Experience Wellington may have to provide for further liabilities that might arise, and to reclassify property, plant and equipment as current assets.

n) Income Tax

Experience Wellington is registered as a Charitable Trust and is exempt from income tax. Experience Wellington is not exempt from indirect tax legislation such as Goods and Services Tax, Fringe Benefit Tax, PAYE or ACC and accordingly it is required to comply with these regulations.

o) Goods and Services Tax

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

p) Statement of Intent Forecast Financial Statements

Forecast Financial Statements are approved by the Board of Trustees and issued as part of the annual Statement of Intent. The Forecast Financial Statements are prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), using accounting policies that are consistent with those used in preparing these Financial Statements. The Forecast Financial Statements are not audited. The Forecast for the 2016-17 financial period is included in the Financial Statements.

Notes to the Financial Statements
Continued

4) Revenue and Other Operating Income

	Note	2017	2016
Revenue from exchange transactions			
Retail sales		956,766	881,634
Admissions income		1,086,696	770,314
Facility hire		455,966	360,192
		2,499,428	2,012,140
Revenue from non-exchange transactions			
Wellington City Council operational grant		6,818,162	6,685,196
Wellington City Council rental grant		1,768,980	1,768,980
Wellington City Council underwrite	21, 22	218,422	140,891
Ministry of Education contracts for service		360,799	343,618
Creative New Zealand contracts for service		510,003	481,500
Other grants, sponsorship & donations	20	928,116	466,215
		10,604,482	9,886,400
Sub-lease income		76,525	76,525
Other income		414,238	559,984
Total other operating income		490,763	636,509
Total revenue		13,594,673	12,535,049

Notes to the Financial Statements
Continued

5) Other Operating Expenses

	Note	2017	2016
Cost of sales		648,179	481,139
Exhibitions & programmes		2,499,307	1,868,280
Rent paid		1,888,268	1,876,727
Marketing & promotions		922,606	737,099
Occupancy costs (excluding rent)		672,213	670,112
Other administration expenses		204,135	176,597
Communication costs		142,746	135,174
Trustee fees & expenses		81,280	76,263
Technology costs		193,074	216,647
Professional fees		149,240	235,195
Auditors' remuneration		32,795	35,070
		7,433,843	6,508,303

6) Personnel Expenses

	Note	2017	2016
Wages and salaries		5,894,870	5,405,295
		5,894,870	5,405,295

Notes to the Financial Statements
Continued

7) Property, Plant and Equipment

	Computer equipment	Office & equipment	Motor vehicles	Building fittings	Work in progress	Exhibitions	Total
Balance at 30 June 2017							
Cost	388,279	1,447,084	23,730	2,459,114	-	1,352,180	5,670,387
Accumulated depreciation	290,745	1,299,957	23,730	1,787,231	-	201,577	3,603,240
Carrying value	**97,534**	**147,127**	**-**	**671,883**	**-**	**1,150,603**	**2,067,147**
Current year depreciation	112,208	145,621	3,296	149,173	-	126,231	536,529
Balance at 30 June 2016							
Cost	297,308	1,429,674	23,730	2,404,008	-	1,150,083	5,304,803
Accumulated depreciation	178,537	1,154,336	20,434	1,638,058	-	75,346	3,066,711
Carrying value	**118,771**	**275,338**	**3,296**	**765,950**	**-**	**1,074,737**	**2,238,092**
Current year depreciation	33,473	146,097	7,910	183,850	-	75,346	446,676

8) Collections and Artefacts

	2017	2016
Opening balance	2,338,816	2,338,816
Additions	-	-
Disposals	-	-
Closing balance	2,338,816	2,338,816

Notes to the Financial Statements
Continued

9) Intangible Asset

	2017	2016
Cost	191,040	172,064
Accumulated amortisation	175,144	163,613
Carrying value	**15,896**	**8,451**
Current year amortisation	11,531	20,626

10) Trade and Other Receivables

	2017	2016
Accounts receivable	151,340	230,434
Receivables from related parties	250,606	148,575
Prepayments	-	6,943
Sundry receivables	239,221	145,072
GST receivable	8,258	199,024
	649,425	**730,048**

11) Cash and Cash Equivalents

	2017	2016
Bank balances	335,296	40,666
Call deposits	544,389	1,681,677
	879,685	**1,722,343**

Notes to the Financial Statements
Continued

12) Equity and Reserves

Reconciliation of Movement in Equity and Reserves	Capital Reserve	Capital E	City Gallery	Nairn Street Cottage Collection	Wellington Museum	Retained earnings	Total equity
Balance at 1 July 2016	2,122,961	144,500	291,832	23,895	141,059	2,013,725	4,737,972
Surplus / (Deficit) for the period	-	-	-	-	-	(223,927)	(223,927)
Transferred from Wellington Museum Inc. Collection	-	-	-	-	(38,359)	38,359	-
Transferred from Capital E	-	(84,500)	-	-	-	84,500	-
Balance at 30 June 2017	**2,122,961**	**60,000**	**291,832**	**23,895**	**102,700**	**1,912,657**	**4,514,045**
Balance at 1 July 2015	2,122,961	-	291,832	23,895	58,059	1,978,797	4,475,544
Surplus / (Deficit) for the period	-	-	-	-	-	262,428	262,428
Transferred to Wellington Museum Inc. Collection	-	-	-	-	83,000	(83,000)	-
Transferred to City Gallery	-	144,500	-	-	-	(144,500)	-
Balance at 30 June 2016	**2,122,961**	**144,500**	**291,832**	**23,895**	**141,059**	**2,013,725**	**4,737,972**

Capital Reserve

The Capital Reserve was established on 29 February 1996 on the transfer from the Wellington Maritime Museums Trust of their collection and artefacts, cash and other sundry office equipment of the Wellington Maritime Museum.

Nairn Street Cottage Reserve (formerly the Colonial Cottage Museum) Collection Reserve

During the year ended 30 June 2003 The Colonial Cottage Friends Society wound up the society and donated the remaining funds ($11,948) to Experience Wellington for the purpose of establishing a collection fund for the Colonial Cottage Museum now known as the Nairn Street Cottage. Experience Wellington agreed to transfer this and a similar amount to the fund.

Wellington Museum (formerly the Museum of Wellington City & Sea) Collection Reserve

During the year ended 30 June 2005 the Trustees decided to place all donations received from the Poneke History Club membership into a collection reserve for future museum acquisitions.

City Gallery Wellington Reserve

During the year ended 30 June 2015 the Trustees decided to place proceeds from a bequest from the estate of Sir Alexander Grant and an insurance payment into a reserve fund for City Gallery Wellington.

Notes to the Financial Statements
Continued

13) Employee Benefits

	2017	2016
Current		
Payroll accruals	11,172	80,130
Liability for holiday pay	223,778	214,502
	234,950	294,632
Non-current		
Liability for long-service leave	34,635	48,746
	34,635	48,746
	269,585	343,378

14) Trade and Other Payables

	2017	2016
Trade payables	434,371	559,729
Payables to related parties	26,433	152,469
Revenue in advance	563,659	725,295
ACC premiums	15,501	15,501
GST Payable	-	323,921
Non-trade payables and accrued expenses	268,393	315,108
	1,308,357	2,092,023

Notes to the Financial Statements

Continued

15) Operating Leases

Leases as Lessee

Non-cancellable operating lease rentals are payable as follows:

	2017	2016
Less than one year	1,223,054	1,755,168
Between one and five years	3,600,316	3,967,451
More than five years	966,708	2,557,950
	5,790,078	8,280,569

Experience Wellington holds leases on property, office equipment and motor vehicles.

Two of the property leases are for Council owned buildings, Wellington Museum on Queens Wharf and City Gallery on Civic Square. Under the Funding Deed between Experience Wellington and the Council, rental payable to Council under these leases is covered by a rental subsidy. The lease for City Gallery on Civic Square is due for renewal on 4 August 2017 and a new lease, with an initial term of 6 years, is currently being drafted by the Council. The current lease rental for City Gallery is $636,660.

Since 1 September 2013 Experience Wellington has leased premises for the operation of Capital E and by agreement with Council, the cost of these leases is covered by the rental subsidy.

Other property leases are held by Experience Wellington for storage of Collections and the operation of the Executive office.

16) Capital Commitments

As at 30 June 2017, there are no capital commitments (2016: $nil), which have not been accounted for.

17) Contingencies

There are no material contingent liabilities at balance date (2016: $nil).

18) Reconciliation of Operating Surplus to Net Cash Flows from Operating Activities

	2017	2016
Operating Surplus / (Deficit) for the Year	(223,927)	262,428
Adjustments:		
Add Non-Cash Items:		
Depreciation and amortisation expense	548,061	467,302
Movements in Working Capital:		
Decrease/(Increase) in Other Current Assets	99,727	259,545
(Decrease)/Increase in Trade Creditors	(286,670)	(407,013)
(Decrease)/Increase in Accruals and Provisions	(579,047)	(981,712)
Investing Income	(58,174)	(108,279)
Net Cash Inflow from Operating Activities	(500,030)	(507,729)

19) Related parties

i) Identity of related parties

Experience Wellington is not related to the Council by shareholding. It was established by, and is reliant upon, the Council for a large part of its income which indicates sufficient reliance on the Council, by Experience Wellington, for a related party relationship to exist. Additionally, the Council consolidates the financial results of Experience Wellington for its own reporting purposes.

Experience Wellington operates under a Funding Deed with the Council which requires delivery of services in accordance with the provisions of the Trust Deed, the Funding Deed and the Statement of Intent, agreed with Council on an annual basis.

The Funding Deed was for a period of three years and is extended annually for a further year subsequent to the initial 3 year term. The rental grant is paid back to the Council as rent on properties owned by the Council and occupied by Wellington Museum and City Gallery Wellington.

In the case of Capital E which no longer occupies a Council owned building the rental grant is used to meet Capital E's accommodation costs.

ii) Related party transactions

During the year, Experience Wellington entered into related party transactions of the following nature:

	Transaction value year ended		Balance outstanding as at 30 June	
	2017	2016	2017	2016
Receipts				
Wellington City Council - operational grant	6,718,162	6,685,196	-	-
Wellington City Council - rental grant	1,768,980	1,768,980	-	147,415
Wellington City Council – The Attic project	-	1,802,555	-	-
Wellington City Council - miscellaneous	702,419	582,260	250,606	1,160
Total	9,189,561	10,838,991	250,606	148,575
Payments				
Wellington City Council - rental	1,338,485	1,338,485	-	111,540
Wellington City Council – The Attic Project	-	1,850,968	-	-
Wellington City Council - miscellaneous	138,304	90,752	26,433	21,042
Total	1,476,789	3,280,205	26,433	132,582

iii) Remuneration of key management personnel

Total remuneration is included in "personnel" expenses (see note 6).

	2017	2016
Trustees	80,000	80,000
Executive officers	736,177	565,634
	816,177	645,634

Item 2.1 Attachment 4

20) Other Grants, Sponsorship and Donations

The following other grants, sponsorships and donations were received during the year.

	2017	2016
Captial E		
Community Trust of Southland	1,000	2,500
D Dewitt Trust	-	18,000
Eastern and Central Community Trust	4,000	-
Electoral Commission	4,883	-
First Sovereign Trust Limited	2,000	2,000
Foundation North	20,000	20,000
Glenice and John Gallagher Foundation	2,000	-
Health Promotion Agency	10,000	-
Infinity Foundation	3,000	3,000
Mainland Foundation	2,000	2,000
Ministry of Youth Development	55,000	-
New Zealand Film Commission	6,000	-
Otago Community Trust	2,000	2,500
Pelorus Trust	-	5,000
Pub Charity	-	15,000
Rata Foundation	5,000	7,000
Rotorua Civic Arts Trust	-	2,800
Sargood Bequest	5,000	-
The Community Trust of Mid and South Canterbury	500	-
The Lion Foundation	80,000	-
The Performing Arts Foundation of NZ	13,424	-
The Southern Trust	4,000	10,000
The Trusts Community Foundation	-	2,000
Thomas George MacCarthy Trust	5,000	10,000
Trust House	2,000	-
Trust Waikato	4,000	2,000
TSB Community Trust	4,000	3,070
Wellington Amenities Fund	100,000	-
Wellington City Council Arts & Culture Fund	12,000	86,500
Wellington Community Trust	15,000	-
Weta Digital	5,000	-
Sundry	625	4,624
City Gallery Wellington		
Embassy of the United States of America	6,985	-
Mondriaan Fonds	-	2,169
Museum of New Zealand Te Papa Tongarewa	-	22,000
New Zealand Lottery Grants Board	78,500	-
Starkwhite	-	7,500
The City Gallery Wellington Foundation	100,000	50,000
Wellington City Council	-	10,613
Wellington City Council Treaty Relations Team	5,000	-
Wellington Community Trust	-	12,487
Wellington City Council City Growth Projects through the Wellington Regional Economic Development Agency	170,700	-
Sundry	-	1,364
Wellington Museum		
Bethlehem Charitable Trust	-	20,000
Dunlop & Dixon Limited	-	20,000
Flag Consideration Project	-	1,000
House of Dumplings	-	2,000
Wellington City Council	-	83,000

	2017	2016
Wellington City Council Neighbourhood Development	200	-
Wellington Community Trust	-	50,000
Sundry	2,641	14,604
Space Place		
Infinity Foundation (through the Carter Observatory Trust)	5,713	-
Ministry of Business, Innovation and Employment	8,094	-
Pelorus Trust	5,953	-
Executive Office		
Wellington City Council	-	7,560
Ministry for Culture & Heritage	-	15,415
Sundry	-	400
Undisclosed	178,898	89,000
Total other grants, sponsorship & donations	928,116	607,106

21) Space Place at Carter Observatory

Experience Wellington governs, manages and controls Space Place at Carter Observatory for Council under a Memorandum of Understanding (MOU) as if it were an institution under the Trust Deed but subject to and with the benefit of the MOU. Under this agreement the Council has agreed to reimburse Experience Wellington for any deficit incurred through the operations of Space Place. Therefore, Experience Wellington has recognised the operations of Space Place in the financial statements.

22) Hannah Playhouse

Experience Wellington operates the Hannah Playhouse as part of the Capital E business unit for the owners which are the Hannah Playhouse Trust and the Wellington City Council (Council) under a Management Agreement which was first executed on 25 February 2016 and extended on 22 November 2016. The agreement covers the period 1 January 2017 to 30 June 2019. Under the agreement, Experience Wellington operates the Hannah Playhouse as a theatre for performing arts with the benefit of Council underwriting the operating budget up to $30,000 for the period 1 January 2017 to 30 June 2017 and up to $60,000 for each of the financial years 2017-18 and 2018-19. Therefore, Experience Wellington has recognised the operations of Hannah Playhouse in the financial statements.

23) Subsequent Event

There have been no significant events after balance date that has affected the accuracy of these financial statements.

Chief Executive Pat Stuart welcoming staff to the Annual Staff Awards night, February 2017. Photo: Luke Calder Photography.

Governance Report
He rīpoata kāwanatanga

Experience Wellington is governed by a Deed between the Council and the Wellington Museums Trust Incorporated, first executed on 18 October 1995 and updated on 15 August 2007.

Governance
Te mana whakahaere

Trustees are appointed by Council and are standard-bearers for Experience Wellington's vision. They are responsible for setting the strategic direction and approving the Statement of Intent and the Strategic Plan. The Board monitors organisational performance, the organisation's ongoing viability and the maintenance of its competitiveness. It delegates the day-to-day operation of Experience Wellington to the Chief Executive, who reports to the Board.

The Board meets no fewer than nine times per year and operates three committees which review relevant matters prior to consideration by the full Board. These are the Audit and Risk (A&R) Committee; the People, Performance, and Safety (PPS) Committee; and the Chief Executive Performance and Remuneration (CEP&R) Committee. In addition, the Board will convene ad hoc working groups to consider specific issues. Guidance in specialist areas is also provided as appropriate.

Board committees
Te komiti whakahaere

Audit and Risk (A&R) Committee assists the Board in carrying out its duties in regard to financial reporting, risk management and legislative compliance.

Chief Executive Performance and Remuneration (CEP&R) Committee advises the Chair in connection with the performance and remuneration of the Chief Executive.

People, Performance and Safety (PPS) Committee provides guidance and support to the Chief Executive in a Human Resources context and assists the Board to meet its due diligence responsibilities regarding Experience Wellington's compliance with Health and Safety legislation.

Board membership and meeting attendance during 2016-17
Te Poari matua me ngā tangata i tae a-tinana mai ki ngā hui 2016-17

Members	Appointed	Term expires	Meetings eligible to attend	Meetings attended
Diane Calvert	01.11.16	31.10.19	6	4
Rachel Farrant	01.0713	30.06.19	9	9
Jackie Lloyd (Chair from 01.01.16)	01.07.11	30.06.20	9	9
Jill Wilson	01.07.13	30.06.18	9	9
Jane Wrightson	01.01.16	31.12.18	9	8
Nicola Young	01.11.13	31.10.16	3	2

2016 City Gallery Tours Team - Value our Visitors Award Recipient.
Photos: Luke Calder Photography.

Samuel Phillips - Value our Visitors Award Recipient.

City Gallery Pop-up Shop -
Growing a Sustainable Business Award Recipient.

Experience Wellington Staff Awards 2016

Ngā paraihe kaimahi 2016

Employees were invited to nominate individuals, teams or projects for achievement during 2016 within four Award categories, 42 nominations were received and 17 Awards handed out as follows:

Values our Visitors
Ngā whai painga manuhiri

For the employee who goes the extra mile, always making sure that the time our visitors spend with us is the best possible experience.

AWARD RECIPIENTS

Brent Fafeita
Curator History, *Museums Wellington*

2016 City Gallery Tours Team
Led by Meredith Robertshawe, with Graham Frost, Irenë McGlone, Cassidy Browne, Tomas Richards and Peyton Sweeney

Samuel Phillips
MediaLab Coordinator, *Capital E*

Space Place and Cable Car Museum Visitor Services Team
Led by Tracy Stedall

NOMINEES

Capital E Public Programmes Team
Fiona Tucker, Office and Visitor Services Manager, *Capital E*
Jayden Évett, Visitor Services Host, *Space Place and Cable Car Museum*
Nik Brocklehurst, Exhibitions and Collections Technician, *Museums Wellington*
Richard Latty, Visitor Services Host, *Wellington Museum*
Space Place Education Team, Troy Murphy and Julia Delogu

Growing a Sustainable Business
He whakawhanake i tētahi pakihi toitū

For an Individual, Team or Project that has resulted in a positive, sustainable change to our revenue-generating ability. It might be a commercial or fundraising change; or an innovation to an existing process that made a saving, had a big impact; or a creative approach that has opened up new sustainable opportunities.

AWARD RECIPIENTS

***City Gallery* Pop-up Shop**
Erika McClintock and Phillip Robertson

Xero Implementation by the Finance Team
James Unwin, Joanne Matthes-Tuisila and Alex Dean

Roxy5 Short Film Competition, *Capital E* Digital Team
Melissa Conway, Peter Graham, Samuel Phillips and Kit Benham

NOMINEES

Arti Govind, Marketing Manager, *Museums Wellington*
Tracy Stedall, Visitor Services Coordinator, *Space Place and Cable Car Museum* (2 nominations)

'The Big Halloween' - Making a Difference to Wellington Award Recipient. Photos: Luke Calder Photography.

Zofia Miliszewska - Team Spirit Award Recipient.

Tracy Stedall - Team Spirit Award Recipient.

Making a Difference to Wellington
Kia koke whakamua a Te Whanganui-a-Tara

For a Team or Project that has resulted in a positive impact on our visitation or visitor feedback, and makes a difference to our city. It must involve collaboration with partners inside and outside Experience Wellington, and have had great feedback from our visitors.

AWARD RECIPIENT

Cindy Sherman Project
City Gallery Wellington

The Big Halloween
Capital E and Wellington Museum

Weave Your Way
Capital E led by the Public Programmes Team

NOMINEES

Francis Upritchard: Jealous Sabotuers, *City Gallery Wellington*
Richard Latty and Jasmine Salter, Visitor Services Hosts, *Wellington Museum*
The Great Wellington Quiz, *Wellington Museum*

Team Spirit
Kia kotahi te hoe

For the employee who is the ultimate team player. They help those around them to achieve the best possible outcomes. They value the work of their team mates and others across Experience Wellington, taking time to give support, feedback and encouragement.

AWARD RECIPIENTS

Arti Govind
Marketing Manager, *Museums Wellington*

Caleb Gordon
Visitor Services and Functions Coordinator, *City Gallery Wellington*

Rachel Ingram (2 nominations)
Head of Learning and Programmes, *Museums Wellington*

Taila Roth (2 nominations)
Registrar, *Museums Wellington*

Tamsin Falconer (2 nominations)
Project Manager, *Museums Wellington*

Tracy Stedall (2 nominations)
Visitor Services Coordinator, *Space Place and Cable Car Museum*

Zofia Miliszewska
Executive Services Manager, *Executive Office*

NOMINEES

Alex Dean, Administration Assistant (Accounts and HR), *Executive Office*
***City Gallery* Exhibitions Team**
***Hinepau – Behind the Scenes, Capital E* Live and Digital Teams**
Jillian Davey, Visitor Services Host, *Capital E*
Nik Brocklehurst, Exhibitions and Collections Technician, *Capital E*
Ruby Armstrong-Kooy, Bookings Coordinator, *Capital E*
***Space Place* and *Cable Car Museum* Visitor Services Team**
Stevie Wrightson, Visitor Services Host, *Space Place and Cable Car Museum*
Tom Etuata, Communications Coordinator, *Museums Wellington*

Our Supporters 2016-17
Ngā pou whirinaki 2016-17

Experience Wellington enjoys support from a wide range of individuals and organisations through sponsorships, donations, grants, in-kind support; and partnerships for our exhibitions and public programmes.

SPONSORS
NGĀ KAITAUTOKO

Individuals or organisations that have supported our activities either through cash or in kind sponsorship and grants.

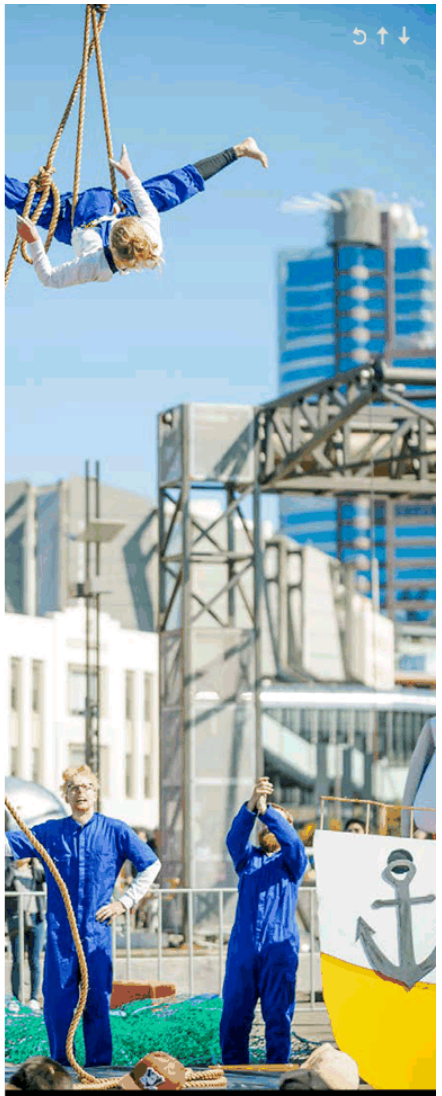
Aileen Drewitt Charitable Trust
Alison Ballance
ANZ
Athfield Architects
Bauer Media - HOME Magazine
Budget Car Rentals
Chris Laidlaw
Christchurch Art Gallery Te Puna o Waiwhetu
Chupa Chups
City Gallery Wellington Foundation
Community Trust of Southland
Creative New Zealand
Deane Endowment Trust
Deirdre Tarrant
Eastern and Central Community Trust
Electoral Commission
Embassy of the United States of America
Expressions Art and Entertainment Centre
EY
Fairfax Media - The Dominion Post
First Sovereign
Foundation North
Four Winds Foundation Limited
Glenice and John Gallagher Foundation
Goethe Institut
Govett-Brewster Art Gallery
Grant Robertson, MP
Health Promotion Agency
Hell Pizza
Infinity Foundation
Jam Hair Company
Jamie Bell, Director New Zealand Cricket Museum
LUX Light Festival
Mainland Foundation
Martin Bosley
Massey University, College of Creative Arts and Whiti o Rehua School of Art
Mid-South Canterbury Community Trust
Ministry of Business, Innovation and Employment
Ministry of Education Te Tāhuku o te Mātauranga
Ministry of Youth Development
MJF Lighting
Modica
MuseumNext
New Zealand Coach Services
New Zealand Film Commission
New Zealand Lottery Grants Board
Ngā Taonga Sound & Vision
NZME - The Hits
Otago Community Trust
Park Road Post Production
Pelorus Trust
Pirate & Queen
QT Museum Wellington
Radio Active
Rātā Foundation
Redmer Yska
Resene
Rubber Monkey
Sargood Bequest
SeeMe Media
Seresin Estate Limited
Taki Rua Productions
Tall Poppy Films Ltd
The Interislander
The Lion Foundation
The Performing Arts Foundation of New Zealand
The Roxy Cinema
The Southern Trust
Thomas George Macarthy Trust
Tilly Lloyd
Toi Māori Aotearoa - Māori Arts New Zealand
Trust House
Trust Waikato
TSB Community Trust
Tuatara Brewing Limited
Victoria University of Wellington, Museum & Heritage Studies
Village Accommodation
Walk Wellington
Wellington Amenities Fund
Wellington Cable Car Limited
Wellington City Council
Wellington City Council Arts
Wellington City Council Arts and Culture Fund
Wellington City Council Community Services
Wellington City Council Events
Wellington City Council Housing
Wellington City Council Neighbourhood Development
Wellington City Council Treaty Relations Team
Wellington City Council Urban Agriculture
Wellington Community Trust
Wellington Regional Economic Development Agency
Weta Digital
Whitebait Productions - *What Now*

Anika Moa rocks the Opera House with 'Chop Chop Hiyaaa!' at the 2017 Capital E National Arts Festival. Photo: Stephen A'Court.

PARTNERS
NGĀ HOA KAIPAKIHI

Individuals or organisations that have supported our activities by working with us during the year.

Ace Lady Network
Adam Art Gallery Te Pātaka Toi
Alexander Turnbull Library
Andrea Milligan, Dr
Arts Access Aotearoa
Auckland Art Gallery Toi o Tāmaki
Auckland University of Technology
Auckland University Press
Auckland Writer's Festival
Bateman Publishing
Blind Foundation
Budget Car Rentals
Canine Friends
Capital! Steampunk
Chamber Music New Zealand
Christchurch Art Gallery Te Puna o Waiwhetu
Circuit Artist Film
CityLink
Claire Noble
Conal McCarthy
Craftcamp
CubaDupa
Drakeford and Phillips Productions
Duo Photography
Embassy of France
Francis Upritchard
Gecko Press
Goethe Institut
Govett-Brewster Art Gallery
Labour History Project
Letting Space
Maritime Archaeological Association of New Zealand
Maritime Friends of Wellington
Martino Gamper
Massey University, College of Creative Arts and Whiti o Rehua School of Art
MetService
Ministry for Culture & Heritage
Miramar Creative Ltd
Monash University Museum of Art
Museum of New Zealand Te Papa Tongarewa
National Library of New Zealand
New Zealand Art Crime Research Trust
New Zealand Book Council
New Zealand Festival
New Zealand Institute of Architects
New Zealand Labour Party
Ngā Taonga Sound & Vision
Nick Mouat
Park Road Post Production
Parliamentary Education Services
Performance Arcade
Pirate & Queen
Queensland Art Gallery of Modern Art
Radio New Zealand
Reference Group: Learning, Museums
Reference Group: Learning, Space Place
Square Eyes - New Zealand Children's Film Foundation
String Bean Puppets
Taki Rua Productions
Te Taura Whiri i te Reo Māori (Māori Language Commission)
Toi Māori Aotearoa - Māori Arts New Zealand
Tristian Koenig Gallery
UN Women National Committee Aotearoa New Zealand
Victoria University of Wellington, International Institute of Modern Letters
Victoria University of Wellington, New Zealand School of Music Te Kōkī
Victoria University of Wellington, School of Art History
Victoria University of Wellington, School of Education
Victoria University Press
Wellington Astronomical Society
Wellington Central Library
Wellington City Council Arts
Wellington Fringe Festival
Wellington High School
Wellington Pride Festival



Flying high with Makers of Entertainment's 'Fools Stream' at the 2017 Capital E National Arts Festival. Photo: Stephen A'Court.

Exhibitions/Tours/ Events/Publications

Ngā whakakitenga/tāpoi/ takunetanga/pānuitanga

EXHIBITIONS
NGĀ WHAKAKITENGA

Capital E
Muka Youth Prints

City Gallery Wellington
Bullet Time

Khaled Hourani and Rashid Masharawi: Picasso in Palestine

Francis Upritchard: Jealous Saboteurs

Sister Corita's Summer of Love

The Invasion of Thunderbolt Pagoda

Cindy Sherman

Andy Warhol's Thirteen Most Beautiful Boys

Other People's Photographs: Cindy Sherman's Found Albums and Scrapbooks

Colin McCahon: On Going Out with the Tide

Shannon Te Ao: Untitled (McCahon House Studies)

Petra Cortright: RUNNING NEO-GEO GAMES UNDER MAME

Martino Gamper: 100 Chairs in 100 Days

Cable Car Museum
Tubular Trains

Wellington Museum
Labour: The New Zealand Labour Party 1916-2016

Flux

Somnium

EXHIBITION TOURS
NGĀ WHAKAKITENGA

City Gallery Wellington
Fiona Pardington. A Beautiful Hesitation: toured to Christchurch Art Gallery Te Puna o Waiwhetu, Christchurch.
3 July – 6 November 2016.

Francis Upritchard: Jealous Saboteurs: toured to Christchurch Art Gallery Te Puna o Waiwhetu, Christchurch.
25 March – 16 July 2017.

Sister Corita's Summer of Love: toured to The Ian Potter Gallery, The University of Melbourne, Australia.
23 July – 16 October 2017.

PRODUCTIONS
NGĀ WHAKAATURANGA

Capital E National Theatre for Children
Hinepau

Shu's Song

An Awfully Big Adventure

Songs of the Sea

Capital E National Arts Festival
A Conversation with Anika Moa

Chop Chop Hiyaa!

Shu's Song

Tetris

Mouth Open, Story Jump Out

Mata and the Mysterious Musical Maunga

Cheese

La Vie Dans une Marionette

Un Roi Arthur

Sticks Stones Broken Bones

The Whale Rider

Young and Cinematic

Odd Lands: Capital E National Arts Festival
Whales

Kanikani

Bloom

Country Life

Hikitia: Fool Steam

Young and Cinematic

Wellington Museum
The Maids

THEATRE TOURS
NGĀ TĀPOI WHAKAARI

Capital E National Theatre for Children
Shu's Song: National Tour. 1 July – 14 November 2016

Hinepau: National Tour. 27 July – 19 October 2016

Songs of the Sea: North Island Tour. 20 April – 23 June 2017

EVENTS AND PUBLIC PROGRAMMES
NGĀ TAKUNETANGA ME NGĀ PĀNUI PĀPORI

The Great Scavenger Hunt was led by Capital E and all Experience Wellington Institutions participated on the day.

The Big Halloween was organised by Capital E in conjunction with Wellington Museum.

Wahine Experience is an education programme organised by Capital E's OnTV Studio and Wellington Museum.

Digital Painting is an education programme run jointly by Capital E's MediaLab and City Gallery Wellington.

Capital City Connections is a technology based education programme coordinated by Capital E and involving City Gallery Wellington, Wellington Museum and Space Place where students explore the art, culture, and heritage of Te Whanganui-a-Tara / Wellington

Capital E
Weave Your Way

In the Yarn Forest by Playshop

Crafter-Noon Galore

Kōrero Harakeke

Design your Reality

Visual Effects

Ultimate Capital E Experience

Digital Day

Daring to be Different

Shake it out

Sing it out

Showtime with Playshop

Code Club Aotearoa

Broadway Chorus

Spring is Here!

Spring Cinema

Musical Moments

Feels Like Home

Technostalgic

Turn up the Volume

Get Your Groove On

Pictures and Pixels

My Time Machine

This is Your Life Hergella Harfington

Silent Film

Retro Arcade

PlayShop Old School

Retro Disco

Science Jam

Tech Explorers

Reduce Reuse and Recycle

Make your own Mini Worm Farm

Once Upon a Christmas
Christmas Crafts
Christmas Creators
Made Just for You
Once Upon a Time
Chinese New Year: Year of the Rooster
The Giant Rooster
Learn Manderin
Brushes and Ink
Magic Mondays
Upside Down
Flip Over Flip Under
Free Range Creators
I Wonder...
The Moot Point
Remix Reality: Virtual and Augmented
Capital E Movie Studio
Trash to Tunes
E Kohiko Ana Matariki
Electro Jungle: Lux Light Festival
Raranga Whetū
Matariki Stories
Elements Festival - *Bloom*
CubaDupa - *Bloom*
Roxy5 Short Film Competition
OnTV Education Programmes:
Wake Up New Zealand
Across the Trenches
Eye on the Hive
Newscast
Once upon a Crime
Te Rā Nei I Te Pō Nei
Sports Desk
Tonightline
Alien Invasion
MediaLab Education Programmes:
Think it, make it, print it
Multiplayer Gaming
2D Animation
Music Making
Visual Effects
Your Virtual Reality
Android App Development
Soundtrack Design
3D Game Design
3D Movie Making

City Gallery Wellington

Talks by artists and curators accompanied the opening weekend of all exhibitions.

Weekend Exhibition Tours
Gallery Babes
ANZ Family Day
Tuatara Open Late:

Nga Tangata Korero mo te Reo / True Stories Told Live with Ngahiwi Apanui, Mark Bradley; Reuben Friend; Anahera Gildea and Tina Makereti. Performance from Sharn Te Pou

Simon Rees on *Sister Corita's Summer Of Love.* Film Screening: *Band of Sisters*

Len Cheeseman and Catherine Griffiths talk typography and social change. Tiny Ruins plays live

Life-drawing session with Emma Febvre-Richards, Tessa Laird and Bianca Zander talk hippy communes and Francis Upritchard

My Favourite Cindy, City Gallery Book Club, live music from the She-Jays and headliner act Estere

Anne Noble and Gaylene Preston discuss their favourite Cindy Sherman works. Leila Adu plays live

Emily Perkins and the *City Gallery Book Club.* Artists Yvonne Todd and Ronnie van Hout and curator Robert Leonard talk dolls. Aldous Harding plays live

Frank Stark talks chairs in Eames, Power and Padding, and an exhibition tour of *Colin McCahon: On Going Out with the Tide*

Exhibition tour of *Colin McCahon: On Going Out with the Tide,* music performance by Utterance

New Zealand Institute of Architects City Talks:
Jos de Krieger – Superuse Studios
Bill McKay Worship: A History of New Zealand Church Design
Mary Daish and Lois Daish–Who's the Butler?
Ben Schrader on The Big Smoke–New Zealand Cities 1840–1920
Maurice Clark on Restoring Public Trust through Shaky Times
Roger Walker
Tikanga in Architecture–a future with us and for us
Craftcamp School Holiday Programmes
Film Screenings:
Blue Velvet
Gardening with Soul with Director Jess Feast
Office Killer
Seconds
Under the Skin
Grey Gardens, The Wolfpack
Horror Double Feature: The Texas Chainsaw Massacre & Clown
The Fearless Vampire Killers, The Naked Kiss
In the Cut
New York, New York Double Feature: Shadows & Eyes of Laura Mars
Desperate Living
Les Yeux Sans Visage
Protest Movement Documentary Double Feature (Introduced by Sharon Hawke): *Te Matakite o Aotearoa: The Māori Land March & Bastion Point: Day 507*
Don't Let It Get You & Avondale Dog (Introduced by musician Ray Ahipene-Mercer and City Gallery Chief Curator Robert Leonard)
Runaway (Introduced by Laurence Simmons)
Art History in Practice III: David Campany
Peter Turner Memorial Lecture: Susan Bright: Home Truths
Rangihiroa Panoho: Writing Maori Art
Sister Corita Workshops: Zine-making with Caitlin Lynch; Screen printing with artist Simon Cuming
This is not Film-Making: Artist's work for Cinema
Circuit Symposium 2016: Phantom Topologies (Presenters: George Clark (UK), Merv Espina (Ph), Martha Atienza (Ph), Alexandre Larose (Can), Tanya Te Miringa Te Rorarangi Ruka, Shannon Te Ao, Gavin Hipkins, Bridget Reweti, Dr Martin Patrick, Dieneke Jansen, Paul Janman, Nina Tonga, Mark Amery, John Vea)
Convent girls re-unite! Fran Wilde, Ngahuia Te Awekotuku, Therese O'Connell and Mary O'Regan
Collective Activism and Dissent: Sandra Grey
Thomas Crow: Reinventing Religious Art in the 1960s
Wow Fashion Art–Lunchtime exhibition tours
Antipodes: Creativity in France and New Zealand (Panellists: Shelagh Magadza, Professor Chris Bennewith, Mark Amery, Camille Pène. Chair: Tracey Monastra)
She Means Business: Mia Garlick. (Mia Garlick, Facebook. Introduced by Jacinda Ardern (Labour Party). Also: Angela Meyer, Double Denim on the Female Economy and panel discussion chaired by Anna Dean)
Book Launch: Anthony Byrt–This Model World
Catholicism and Art: interior and Exterior Worlds: Anne Noble and Gregory O'Brien

Jealous Saboteurs Workshops: Watercolours with Séraphine Pick; Pottery with Laurie Steer; Writing with Tessa Laird; life-drawing with Emma Febvre-Richards

Contemporary Art Night School: Cindy Sherman 101: Heather Galbraith–Cindy Sherman in Context: 1970s–90s; Aaron Lister–Cindy Sherman: Appropriator and Appropriated; Julie Ewington – The Real Cindy Sherman

Art Crimes Symposium

My Favourite Cindy: Karen Walker, Yvonne Todd, Martin Patrick and Hera Lindsay Bird

Gordon H Brown Lecture: Damien Skinner

Casa Susanna Curator's Tour with Aaron Lister

The End of Fashion Designer's Forum – Valerie Steele (Fashion Institute, New York), Kate Sylvester, Margi Robertson (NOM*d), Liz Findlay (Zambesi) and Margo Barton (iD Dunedin Fashion Week)

Tai Ahiahi///Tai Awatea: Curating Contemporary Māori Art Workshop

Cindy Sherman, Fashion and Celebrity Culture: Pamela Church Gibson

Close Calls with Nonsense: Stephen Burt and Bill Manhire

Casa Susanna Photographs with Katherine Cummings

Contemporary Feminism Panels: The Morning After (Chair: Eva Radich); Digital Feminism (Chair: Megan Whelan); Aging and Agency (Chair: Kim Hill)

My Favourite Cindy: Processes and Techniques (Emma Ransley (Toi Whakaari), Caroline McQuarrie and Shaun Waugh (Massey University) and Sam Trubridge)

Exhibition tour for Wellington Pride Festival

International Women's Day Fundraising Event: My Favourite Cindy: Madeleine Sami, Hera Lindsay Bird, Marianne Elliott, Claire Regnault and Nina Nawalowalo

'Performance, writing': What's that comma up to? John Hall

Cindy Sherman: A Symposium: Susan Best (Queensland College of Art) Edward Colless (Victorian College of the Arts) and Martin Patrick (Massey University); The Photogenics and The Fantasing perform live

Cindy Sherman Closing Day tour with Curator Ellie Buttrose

International Connections: Artist Residency Forum (Daniel Beban (New Zealand), Janine Eisenächer (Germany) and Soraya Rhofir (France), chaired by curator Melanie Oliver)

Curatorial Conundrums: Ideals and Compromises: William A. Ewing

Painting Re-booted: André Hemer and Justin Paton

Oblivion: Rana Haddad and Pascal Hachem

Digital Art Workshop with Kerry Ann Lee

Chris Kraus: Multiple Perspectives (In conversation with Claire Murdoch)

Talking Back to McCahon: Shane Cotton, Brett Graham and Shannon Te Ao, Chaired by Huhana Smith

Deane Lecture Series: The Lark's Song: Wystan Curnow; McCahon House: History and Mythology: Vivienne Stone, Andrew Paul Wood and Shannon Te Ao; Personal Perspectives on the Treaty Settlement Process: Rt. Hon Jim Bolger and Tamati Kruger, chaired by Wena Harawira

Holy Water: McCahon, James K. Baxter, the Beach Walk and the New Land: Gregory O'Brien

McCahon's prophetic Voice: Laurence Simmons

Pictures Speaking Words: Robin Maconie

MUSEUMS WELLINGTON

Cable Car Museum

Street Beats

Tactile Experience

Nairn Street Cottage

Wellington on a Plate: Children's Event

Nairn Street Preservation Society: Natural Fizz, Urban Beekeeping, Upcycle Boutique, Chicken Coops, Making Mozarella, Kitchen Cultures

Tactile Experience

Chatter at the Cottage

Nairn Street Neighbours' Day

The Great Easter Egg Hunt

Winter Foraging Walk

Space Place

Tuesday Talks: Zealandia, 4000 years in 40 Minutes; Bee Good; Juno Is AI Science Fiction or the Future?; The Star of Bethlehem; A Year Without Summer; An Insider's Guide to CERN; A Year Without Summer; Climate Change the Latest Science; The Latest on Planetary Formations; Solar Storms and Aurora; Wait a Second!; Exoplanets; Space Safari of Dying Star

Beatrice Hill Lecture

School Holiday Programmes: *Super Stars; Steampunk Science; Moon Mission; About Time!*

Famous Theories

Sci Fi Sunday: Wrath of Khan; Fifth Element; Muppets in Space; ET; Wall E; The Quiet Earth

Spring Festival, Navigation Activity

Terror of the Deep

Wellington War of the Worlds

Telescope 101

Valentines night

Jet Jaguar

Tour de Science

Night is a Blanket

Musik Neu Zee Land (Music Month)

Sci Fi Improv

Wellington Museum

In Conversation: programmes supporting the *Labour: The New Zealand Labour Party 1916–2016 exhibition*

Tactile Experiences: *Introduction to the Museum; Arrival and Settlement; Creative Capital; Protest and Action; Matiu/Somes Island*

Paddy the Wonderdog– puppet show

Kiwi Bank Kids' Holiday Programme

Third Thursday: Poetry Slam; Short History of the DJ; Curio Show; Puppet Fiction; Ethereal Dreams; One Man Band Tsunami; Strange Fascinations; No Man's Land; Poetry Slam; Star Weave Jam

A Short history of Poison and Power

False Flags

Behind the Scenes

The Great Wellington Quiz

People's History 2016

It's a Trial

Steampunk Weekend

Songs of Innocence and Experience

In Conversation – Ngā Heke

Whaka Huatia Mai

FRINGE Festival: Nan and Tuna; The 80s and 90s Childhood Train of Awesomeness

Architecture Walk

Vivid St Art Launch

Cityzen Kane

Secrets of Newtown Walk

Flux opening

Wahine 49th Anniversary

Stetson Road

Dog Life Drawing

Fright at the Museum

Percolators Brass Band on the Bayou

Plaster mask making workshop

Te Oro o ngā Whetū: The Echo of the Stars

DeafBlind Camp

Tipu Collective launch

PUBLICATIONS
NGĀ PĀNUITANGA

City Gallery Wellington

Cindy Sherman, 2016. Essays by Miranda Wallace, Ellie Buttrose, Robert Leonard, and Betsy Berne. 144 pages. Published by QAGOMA.
ISBN: 9781921503801.

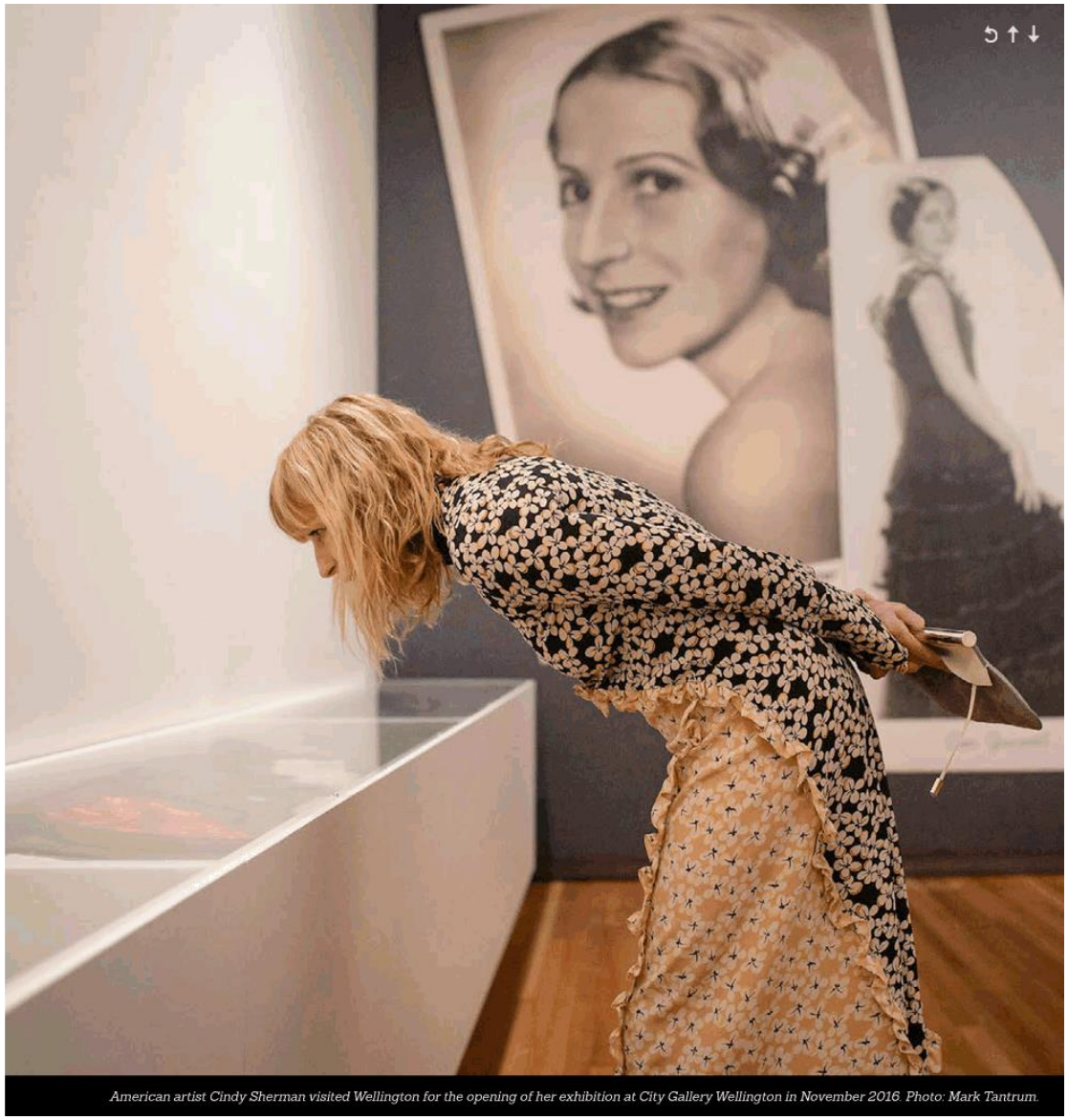
Sister Corita's Summer of Love, 2016. Essays by Simon Rees, Aaron Rose, and Robert Leonard. Unpaginated. Designed by Spencer Levine. Published with Govett-Brewster Art Gallery.
ISBN: 978-0-9941272-3-5.

Francis Upritchard: Jealous Saboteurs, 2016. Essays by Megan Dunn, Tessa Laird, Robert Leonard. Interview Brian Griffiths. Fictions Deborah Levy, Hari Kunzru, David Mitchell, and Ali Smith. 336 pages. Designed by Roland Brauchi. Published with Monash University Museum of Art.
ISBN: 978-0-9945213-2-3.

Colin McCahon: On Going Out with the Tide, 2017. Essays by Wystan Curnow and Robert Leonard. Unpaginated (28 pages). Designed by Spencer Levine.
ISBN: 978-0-9941272-5-9.

Petra Cortright: RUNNING NEO-GEO AMES UNDER MAME, 2017. Essay by Aaron Lister. 32 pages. Designed by Spencer Levine. ISBN: 978-0-9941272-4-2.

Katarina Matire, The Tail of the Fish: Maori Memories of the Far North, 2017. (Facsimile reprint.) 82 pages. Designed by Aaron Beehre. Published with Ilam Press.
ISBN: 978-0-9941272-6-6.



American artist Cindy Sherman visited Wellington for the opening of her exhibition at City Gallery Wellington in November 2016. Photo: Mark Tantrum.

Directory
Te papatohu

experience Wellington
wellington museums trust

Experience Wellington
Pat Stuart, *Chief Executive*

Executive Office
Level 8, AMI Plaza, 342 Lambton Quay
PO Box 893, Wellington
P: 04 471 0919
E: experience@experiencewellington.org.nz
www.experiencewellington.org.nz

Capital E
Sarah Rusholme, *Director Children & Young People*
4 Queens Wharf
PO Box 893, Wellington
P: 04 913 3740
E: capitale@experiencewellington.org.nz
www.capitale.org.nz

City Gallery Wellington
Elizabeth Caldwell, *Director*
Civic Square
101 Wakefield Street
PO Box 893, Wellington
P: 04 913 9032
E: citygallery@experiencewellington.org.nz
www.citygallery.org.nz

New Zealand Cricket Museum
Jamie Bell, *Director*
The Old Grandstand, Basin Reserve
PO Box 578, Wellington
P: 04 385 6602
E: cricket@experiencewellington.org.nz
www.nzcricketmuseum.co.nz

Hannah Playhouse
Sarah Rusholme, *Director Children & Young People*
12 Cambridge Terrace
PO Box 893, Wellington
P: 04 894 7412
E: hannahplayhouse@experiencewellington.org.nz
www.hannahplayhouse.org.nz

Museums Wellington
Brett Mason, *Director*

Wellington Museum
The Bond Store, Queens Wharf
PO Box 893, Wellington
P: 04 472 8904 F: 04 496 1949
E: museumswellington@experiencewellington.org.nz
www.museumswellington.org.nz/wellington-museum

Space Place
Carter Observatory
Botanic Gardens
PO Box 893, Wellington
P: 04 910 3140
E: spaceplace@experiencewellington.org.nz
www.museumswellington.org.nz/space-place

Cable Car Museum
1 Upland Road
PO Box 893, Wellington
P: 04 475 3578
E: cablecar@experiencewellington.org.nz
www.museumswellington.org.nz/cable-car-museum

Nairn Street Cottage
68 Nairn Street
PO Box 893, Wellington
P: 04 384 9122
E: cottage@experiencewellington.org.nz
www.museumswellington.org.nz/nairn-street-cottage

Plimmer's Ark Galleries
Old Bank Arcade (timbers in situ)
www.museumswellington.org.nz

WREDA
WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY
ANNUAL REPORT
2016/17

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WREDA'S WORKING FOR WELLINGTON
338
VENUES WELLINGTON PERFORMANCES
$25m
CONFERENCE EVENT BIDS WON
+5,776
MORE FILLED JOBS
+10%
GROWTH IN EXPORTS
#1
WORLD'S MOST LIVEABLE CITY DEUTSCHE BANK SURVEY
+2.6%
GROWTH IN REAL GDP

48,700+
PEOPLE APPLYING TO LOOKSEE WELLINGTON
$52m
INCREASE IN VISITOR SPENDING
$2.38BN TOTAL
$5.4m
GENERATED NZ/AUS MEDIA COVERAGE
34
NEW COMPANIES LAUNCHED AND GROWN WITH CREATIVE HQ
NZ'S FASTEST-GROWING MAIN CENTRE FOR INTERNATIONAL STUDENTS
4.3m
VISITS TO WELLINGTONNZ.COM
$2.7m
REGIONAL BUSINESS PARTNERSHIP FUNDING FOR LOCAL COMPANIES
657,700
PEOPLE ATTENDING MAJOR EVENTS
$103m
PRODUCTION FACILITATED BY SCREEN WELLINGTON

INTRODUCTION
PETER BIGGS, BOARD CHAIR

Kia ora koutou,

On behalf of the Board and Leadership Team, I am pleased to present the Wellington Regional Economic Development Agency's (WREDA) Annual Report for the 2016/17 Financial Year.

During the year, WREDA made excellent progress towards our vision of making Wellington the most prosperous, vibrant and liveable region in Australasia by 2025, despite the multifaceted challenges that followed the November 2016 earthquake. Over the last 12 months, WREDA has demonstrated its capacity, capability and resilience. Under the leadership of Chris Whelan, WREDA's inaugural Chief Executive, a single WREDA entity was formed, the result of a complex amalgamation of existing diverse agencies and offices.

Over the past year, the WREDA team, in collaboration with a number of partners, delivered a range of unified programmes which contributed greatly to Wellington's increasing prosperity, vibrancy and liveability. In May, we welcomed Derek Fry into the Interim Chief Executive position, and Chris moved into an advisory role, where he continues to provide the Board with valuable strategic insight.

Right now, the Wellington region is enjoying greater economic momentum than it has for years. Our liveability was acclaimed as the world's best by Deutsche Bank this year. Our population grew by nearly 8,000 – a 21-year high – as people increasingly chose to invest their future in a thriving, prosperous Wellington region. An additional 5,776 jobs were filled in the region this year, as unemployment declined. As the region grows, building consents are on the rise, as is infrastructure investment. It's hardly surprising therefore, that consumer, business and investor confidence surveys all have Wellington near the top of New Zealand regions.

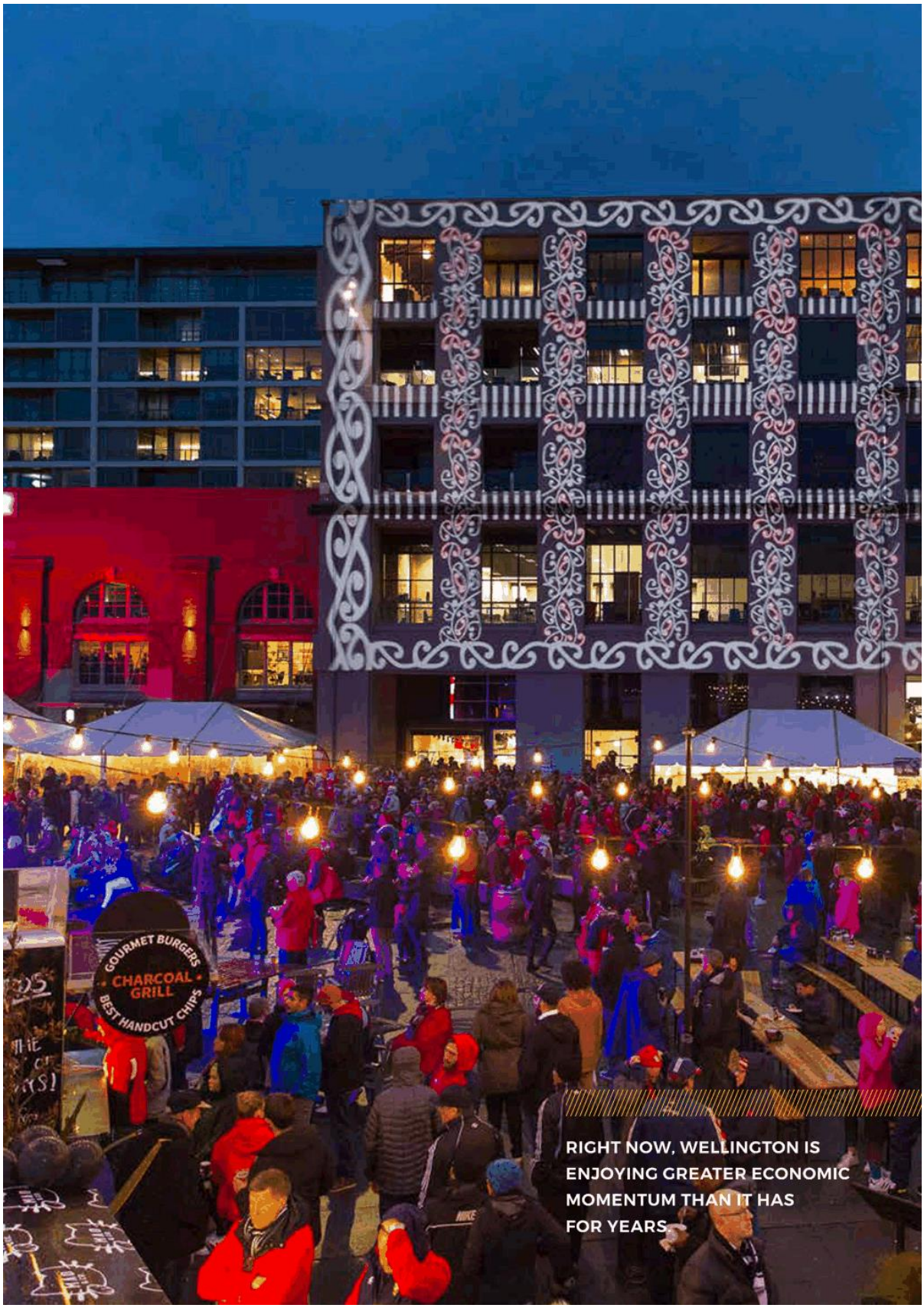
Longer term, the Wellington region is ideally equipped to thrive in the evolving global economy. Our smart, highly-educated workforce specialises in the lightweight service, digital and premium product exports that are essential to New Zealand's economic evolution. As we move into the 'middle half' of the 21st century, our culture of innovation and agility will be our strength – and our quality of life will be a critical advantage in the global competition for talent.

As this magnificent region - this vibrant community of creative and passionate Kiwis – goes from strength to strength, WREDA continues to support and empower their success.

On behalf of the entire WREDA team, our thanks go to our governing councils, commercial partners and stakeholders across the region for their ongoing trust and support. As this report illustrates, 2016/17 has been a year of progress consolidated, ambition rewarded, and challenges risen to.

Ngā mihi nui

Peter Biggs, CNZM
CHAIR: WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY


GOURMET BURGERS
CHARCOAL GRILL
BEST HANDCUT CHIPS
RIGHT NOW, WELLINGTON IS ENJOYING GREATER ECONOMIC MOMENTUM THAN IT HAS FOR YEARS.

EXECUTIVE SUMMARY

DEREK FRY, INTERIM CHIEF EXECUTIVE

Since I took the reins as WREDA's Interim Chief Executive less than two months before the end of the financial year, the question I'm most often asked about my new job is "so... what does WREDA do?"

I understand why I get that question. We're an amalgamated agency with a wide-ranging mandate. Practically all our work is done in partnership; our approach is designed to enable others to succeed. For us, the hero of the story should always be Wellington - regional people, projects and businesses - not WREDA.

That said, I'm pleased to take the opportunity of our annual report to give a more detailed answer to the question.

As you'll read, we have our high-profile successes, like LookSee Wellington (pg 13), which was a gamechanger for the global profile of the Wellington region's tech sector, and put us in touch with tens of thousands of talented people who'd like to be a part of it.

There are big projects which you may not have known WREDA had a role in. The DHL New Zealand Lions Series, (pg 21) for example. From securing the back-to-back match schedule, to leading regional operational planning and managing the Fan Zone/Fan Trail, our teams were involved every step of the way.

Similarly, we're behind WellingtonNZ.com, (pg 19) which provides info on eating, shopping, visiting, studying and working in the region to millions of people a year, locals and visitors alike.

You may have felt the benefits of our work in other ways. You may work at one of the hundreds of regional businesses we've directly supported. If you enjoyed a show at one of our civic venues, our team both helped get it to Wellington, and helped you find your seat. And if you attended a conference here last year, there's a good chance our team helped the hosts win it for the region.

What brings this breadth of activity together is a commitment to supporting Wellingtonians as they build their careers, companies, lives, families and futures.

Some of our work, perhaps ironically, you won't see at all unless you're outside of Wellington. Our visitor marketing campaigns (pg 16), and our media promotion of the region's innovative business community reach an audience of millions across Australasia.

It has also been a successful year for WREDA from a financial point of view. Higher than expected revenue, lower administrative costs and timing of expenditure results in an accounting surplus for the year, which we will utilise on projects early in 2017/18.

In the past financial year, we've seen great success and met robust challenges. As we celebrate and recount those achievements here, we also look forward. That's why we've appended to this Annual Report our 'Big 6' priorities for the year ahead.

The outlook for the region is very promising. We operate in a global economy that increasingly rewards the very qualities and specialities where we

have a competitive advantage. Managing our growth trajectory will bring its own challenges.

Housing and infrastructure require investment. Productivity must be a focus for business, to create real, sustainable growth. Government must ensure prosperity is spread fairly, as inequality erodes the social cohesion on which commerce depends. Wellington will rise to all these challenges, so long as we increase co-operation across the region, and embrace our role in New Zealand's economic and social evolution.

It's in these areas that I am most excited by WREDA's potential to develop. Our regional and sector reach, combined with our partnership principles, give us a unique ability to convene, coordinate and help get things done. Major projects like the Movie Museum/Convention Centre, Indoor Arena, runway extension and transport infrastructure are where the big steps in our regional economic development can be achieved. Ensuring the region derives maximum benefit from these and other investments was beyond the capacity of our predecessor organisations. It is, quite literally, a role WREDA was made for.

In the meantime, I extend WREDA's hand of partnership to all of you.

This annual report will give you an insight into what we do. The 'Big 6' attachment inside the back cover tells you what we're focussed on. Let's talk about where those align with your goals and strategies, and work out how WREDA can help you succeed.

We're your economic development agency. We're here to help you succeed. Let's work together to make it happen.

Derek Fry
INTERIM CHIEF EXECUTIVE

WHO WE ARE AND WHAT WE DO

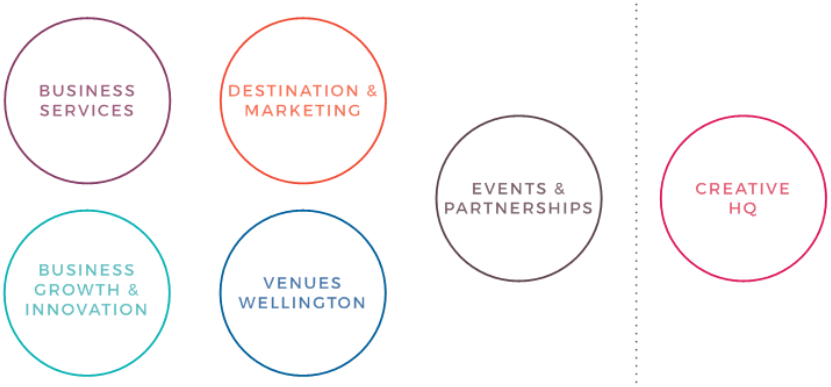
The Wellington Regional Economic Development Agency (WREDA) was formed in 2015, through the merger of Positively Wellington Tourism, Grow Wellington, Creative HQ, Positively Wellington Venues and Wellington City Council's Major Events Office.

WREDA is a council-controlled organisation, co-owned by Wellington City Council (80%) and Greater Wellington Regional Council (20%), and reporting to them both via the Wellington Regional Strategy Committee. WREDA's role is to support economic growth across the Wellington Region. Our activity is funded via a mix of business and residential ratepayers, commercial partnerships and retail trade.

OUR VISION FOR WELLINGTON:

TO BE THE MOST PROSPEROUS, VIBRANT AND LIVEABLE REGION IN AUSTRALASIA BY 2025

WREDA IS ORGANISED INTO FIVE BUSINESS UNITS AND ONE SUBSIDIARY:



DAVID JONES | GM BUSINESS GROWTH & INNOVATION

The BGI team works directly with growth-oriented businesses and priority sectors across Wellington to support a resilient economy. We enable business growth and R&D funding for companies, facilitate pathways to employment, and attract new (and retain existing) talent, business and investment for the region.

WARRICK DENT | GM EVENTS & PARTNERSHIPS

The success of Wellington's Major Events portfolio depends on the civic sponsorship and operational support managed by our team. We also attract major conferences and business events to the region, and manage strategic partnerships with stakeholders across the region and beyond.

STEFAN KORN | CHIEF EXECUTIVE, CREATIVE HQ

Creative HQ delivers a range of incubation and acceleration programmes for startups and high growth businesses. Alongside this, we provide innovation services and education for government and large-enterprise. Creative HQ is a wholly-owned subsidiary of WREDA.

HEIDI MORTON | GM BUSINESS SERVICES

The Business Services team provides the operational infrastructure that enables WREDA to function, and maximises the cost-effectiveness of a unified agency. Our responsibilities cover human resources, IT & technology, finance and office management.

JEREMY HARDING | GM DEVELOPMENT & FORESIGHT

Jeremy provides an analytical perspective on WREDA's work. This means closely monitoring Wellington's economic performance to help the board and management determine which areas of our business to allocate resources for the greatest benefit to the regional economy.

DAVID PERKS | GM VENUES, MARKETING AND DESTINATION DEVELOPMENT

The Venues Wellington team manages our portfolio of civic- owned performance and conference event venues; TSB Bank Arena & Auditorium (Shed 6), St James Theatre, Michael Fowler Centre, The Opera House.

Our Marketing & Destination Development team is tasked with making Wellington famous as a destination to visit, work, do business, invest, study and live. We lead visitor campaigns domestically and in Australia, work with travel trade in long-haul markets, and operate the Wellington i-SITE Visitor Information Centre.

BUSINESS UNIT ACTIVITY HIGHLIGHTS

BUSINESS GROWTH & INNOVATION

GROWING LOCAL BUSINESSES

For the seventh year running, we delivered the Regional Business Partner (RBP) programme in Wellington, on behalf of New Zealand Trade & Enterprise and Callaghan Innovation.

During the year, we've worked with close to 500 client businesses, providing access to mentorship programmes, capability development and R&D funding.

WREDA has been a crucial partner & supporter to the growth of PosBoss. They have been dedicated and passionate about helping us strengthen our strategy, continuously deliver customer loved products and increase sales across Australasia. WREDA is an asset to the growth of any Wellington tech business.

JONNY MCKENZIE
FOUNDER & CEO, POSBOSS
(REGIONAL BUSINESS PARTNER PROGRAMME CLIENT)

$2.7 MILLION+
RBP FUNDING FOR WELLINGTON REGIONAL BUSINESSES

GETTING STUDENTS INTO WORK

Our partnership with the Summer of Tech internship programme entered its twelfth year, supporting an ever-increasing demand for interns from Wellington tech businesses. Summer of Tech retention rates, from intern to full-time employment, are approximately 80%.

This year, the model was expanded to establish the Summer of Biz programme, which will connect HR and Marketing students with internship opportunities across the Wellington region in summer 2017/18.

Summer of Tech is the largest single contributor to our placement of interns in priority sectors in 2016/17, where in total, 221 interns were placed with 42 Wellington employers. This is an increase from totals of 199 and 182 in the previous two years.

It's been great to have WREDA supporting us in our growth. Summer of Tech is a tremendous opportunity for local businesses to get access to talented students. It's fantastic to see Alitia -the intern we hired through Summer of Tech - grow into a team leader and now to come full circle, and be hiring new people for her team at this year's Summer of Tech!

CLINT VAN MARREWIJK
MANAGING DIRECTOR, THUNDERMAPS

CONNECTING THE CAPITALS

Singapore Airlines' new 'Capital Express' service, flying between Wellington, Canberra and Singapore, was leveraged by WREDA to strengthen trade relationships between the three cities.

Our Screen Wellington office began negotiating a tri-partite agreement with our equivalents in Singapore and Canberra. The agreement enables sharing of insights and expertise, to meet the needs of the three screen sectors.

We initiated a collaborative relationship with Canberra Innovation Network (CBRIN), and joined them on a mission to Singapore in April. We took four Wellington start-ups to pitch to Singaporean investors and get insight into the Singaporean venture capital market. Following positive results, activity will continue in this year.

This is our second visit to Singapore alongside WREDA. On the first we presented to a group of local investors, and on this latest visit we followed up with potential customers and delivery partners. As the world's third-largest banking centre, Singapore handles a vast amount of business data, making it an ideal market for Eight Wire, and one we're definitely keen to explore.

JASON GLEASON
EIGHT WIRE

SPOTLIGHT

LOOKSEE WELLINGTON

A WORLD-FIRST CAMPAIGN TO ATTRACT TECH TALENT FROM AROUND THE GLOBE TO THE WELLINGTON REGION.

LookSee's spectacularly successful marketing and PR campaign drove $10 million worth of international media coverage - including the *New York Times, Forbes, Mashable, Guardian, San Fransisco Chronicle* and *USA* Today - resulting in unprecedented levels of interest in Wellington's tech sector. More than 48,000 people from around the world completed applications to participate.

In May, 93 employer-selected candidates, representing 28 nationalities, were flown to Wellington for a week of job interviews, immigration seminars and Wellington lifestyle experiences. At the time of printing, 40 candidates have either arrived in Wellington to begin work, are moving through immigration/relocation processes, or remain in discussion with employers.

The LookSee Wellington database now holds thousands of talented, experienced tech professionals who are keen to create a future here.

At the 2017 Economic Development New Zealand Conference, WREDA received the inaugural MBIE Innovation Award for LookSee Wellington.

1.6m WEBSITE HITS
48,700 APPLICATIONS
30+ NATIONALITIES
250+ JOB INTERVIEWS

13.

ATTRACTING NEW JOBS

WREDA was integral to business services company Concentrix choosing Wellington as the location for its first Southern Hemisphere tech support centre. Competing with bids from across Australasia we presented a compelling case to Concentrix, highlighting the quality of Wellington's workforce.

WREDA also supports training for local Concentrix employees taking entry-level positions with the company. Providing tech call centre support for a leading global technology client from its Old Bank Arcade premises, Concentrix had created more 200 jobs by the end of the financial year. That number is set to rise further over the next 12 months.

EXPORTING EDUCATION

The Wellington International Student Growth Programme (WISGP), is a multi-year partnership initiative between WREDA, local councils, tertiary institutions, schools and Education New Zealand. WISGP continues to drive growth and development in the region's international education sector. Alongside student attraction and trade marketing, the programme makes contributions to capacity development, pathways to employment and student experience. Last year culminated in the inaugural Wellington International Student Excellence Awards, presented by then-Deputy Prime Minister Bill English, to outstanding achievers from our international student community.

Latest figures from Education New Zealand show that Wellington is the fastest-growing main centre in the country for international students, who now contribute approximately $200 million to the regional economy.

10% GROWTH

IN INTERNATIONAL STUDENTS IN WELLINGTON IN 2016 (AN ADDITIONAL 746 STUDENTS)

NETWORKING THE TECH SECTOR

As a partner city to the first ever New Zealand Techweek, Wellington demonstrated its status as a place where tech lives and thrives. WREDA was the local sponsor and coordinating agency, in partnership with national Techweek'17 leader NZ Tech.

Forty-four unique events were held across Wellington during the week. These ranged from hands-on tech experiences for kids, demonstrations and conferences on leading-edge tech like AR/VR and blockchain, to seminars on business strategy for export-oriented tech companies.

SUPPORTING RECOVERY

Immediately following the November earthquake, the Business Growth & Innovation team focussed on providing business continuity support for local companies.

WREDA worked with Wellington City Council to establish the Earthquake Recovery and Information Centre (ERIC) on Lambton Quay. We joined with Inland Revenue, Ministry of Social Development, Ministry of Business, Innovation and Employment and other community organisations at the centre, to provide a one-stop shop for affected Wellington businesses seeking information and assistance.

With numerous building closures, particularly in Wellington city, a shortage of office space was a pressure point. Some companies with available space began making offers to displaced neighbouring businesses. We sought to promote and coordinate this 'space sharing', initially through brokering direct demand/supply relationships, and by partnering with Trade Me to create an online marketplace for space and other resources.

Staff wellbeing was also an issue of concern. We brought in Umbrella Health to conduct resilience workshops for Wellington business leaders, advising them on effectively and safely managing their teams, as they returned to work under stressful circumstances. We also worked with disaster mental health expert Sarb Johal, to produce a series of short video resources, designed to support employees looking to manage their mental health.

CREATIVE HQ

In its most significant year to date, Creative HQ (a wholly-owned subsidiary of WREDA), is a reminder that entrepreneurs can be found everywhere. We helped launch 34 new start-ups, and our flagship accelerator programme Lightning Lab expanded into new verticals with the launch of the Kiwibank FinTech Accelerator and Lightning Lab Electric, while the R9 GovTech Accelerator ran for the third time.

Creative HQ continues to grow Wellington's reputation as New Zealand's "place to innovate".

Being part of the Kiwibank FinTech Accelerator helped us turn our idea into a business, providing us with the momentum, tools and support we needed along the way.

SONYA WILLIAMS
DIRECTOR, SHARESIES

It [Lightning Lab] is hugely rewarding, and an experience you will never forget. It will change you as a person. It was an incredible environment to grow my business, surrounded by more support, encouragement and resources than you could ever imagine.

VIRGINIA FAY
CEO, PATTERNSNAP

IN THE 2016/17 FINANCIAL YEAR

1. WE HELPED LAUNCH 34 NEW COMPANIES IN WELLINGTON.
2. THE VENTURES IN CREATIVE HQ'S PORTFOLIO INCREASED IN VALUE BY $5.5M, AND ARE NOW COLLECTIVELY VALUED AT $69.7M.
3. WE SAW THE FIRST MAJOR TRADE SALE OF A LIGHTNING LAB COMPANY WITH PUBLONS BEING ACQUIRED BY CLARIVATE ANALYTICS, CREATING SIGNIFICANT RETURNS FOR FOUNDERS AND INVESTORS.
4. WE GREW OUR POPULAR EVENT SERIES, STARTUP GARAGE, BY OVER 800 MEMBERS TO A TOTAL OF 2528 GARAGERS.

DESTINATION & MARKETING

Wellington's tourism sector has experienced highs and lows over the last financial year; from the impact of the November earthquake right before the summer season, to a region pumping with international visitors for a once-in-a-decade tour by the British & Irish Lions.

Throughout all the variation, seasonal or otherwise, Wellington's tourism numbers remain strong. As a Destination & Marketing team, developing the new market opportunities created by the Singapore Airlines 'Capital Express' service is a new focus. At the same time, seasonal and event-based campaign support for domestic visitation remains at the core of our tourism marketing activity.

Also in this financial year, building on LookSee Wellington's success, and capitalising on Deutsche Bank listing us as the world's most liveable city, we created a new domestic talent attraction campaign named *Why Wellington? It's personal.*

ATTRACTING KIWIS

Our domestic visitor strategy continues to promote Wellington as New Zealand's ultimate creative urban destination, perfect for a weekend break. New Zealand remains Wellington's main visitor market, accounting for around 67% of Wellington's visitor spend.

Over the year, we undertook five domestic marketing campaigns with a cumulative reach of nearly 13.8 million. These included summer, winter visitor campaigns and a partnership campaign with Te Papa to drive out-of-region visitation to its Bug Lab exhibition.

CROSSING THE DITCH

Australia is Wellington's most important international visitor market. Wellington attracts around 250,000 Australian visitors per year, with 160,000 of these direct via Wellington Airport using direct flights from Sydney, Melbourne, Brisbane, Coolangatta (Gold Coast) and Canberra.

Australians account for approximately 30% of all international spending in Wellington, Our marketing activity contributed to an increase in Australian visitor spending of 8.5%, reaching $242 million for the year.

In the 2016/17 financial year, marketing activity leveraged new connectivity with Canberra through the launch of the Singapore Airlines service, as well as supporting the airline routes from Brisbane, Gold Coast, and Melbourne.

Positioning Wellington as an easy, creative short-break just a 3-hour plane ride away, our *Find a World (3 hours) away* campaign consisted of digital banners, video, outdoor, cinema, social, radio and native editorial content. This was supported by our "always on" activity across digital channels and PR.

> *Destination Wairarapa is extraordinarily lucky to have such a great regional partner in WREDA. David Perks and his team work closely with us, particularly in the international markets...our Wellington partnership has a brilliant formula – stay in New Zealand's capital city of cool & enjoy a sophisticated rural getaway in Wairarapa.*

DAVID HANCOCK
CHIEF EXECUTIVE, DESTINATION WAIRARAPA

Item 2.1 Attachment 5

SPOTLIGHT

WHY WELLINGTON? IT'S PERSONAL

This year, Wellington launched its first ever domestic talent attraction marketing campaign; ***Why Wellington? It's Personal***. The objective was to build Wellington's reputation as a dynamic destination to live and work - putting it on the radar of creative, high-value 25 – 39-year-old talent at nudge-able life stages.

By attracting young, creative talent who can grow their careers and make their mark on the world from Wellington, we can help build a stronger and more sustainable economy. With so many factors influencing decisions on where to live - such as career opportunities, life stages and individual / family circumstances - we can never control all the decision-making factors for any given individual. Instead, our purpose was to create 'one link in the chain' - by establishing a clear and distinctive reputation for Wellington that blends creativity, connection, lifestyle and 'life balance'... that reflects what makes our city unique.

The result was a destination campaign unlike any other. It looked past the craft beer and coffee to offer a real, authentic look at life here; what it's like to arrive, to work, to grow up here, to belong.

The campaign led with a 60 second hero video, backed up with a series of supporting interviews with Wellingtonians talking about why they choose to live and work here. More in-depth stories about some of the capital's entrepreneurial types and our screen, tech and social enterprise sectors were shared via partnerships with Idealog and The Spinoff.

THE CAMPAIGN PERFORMED EXTREMELY WELL, ACHIEVING:

935,062 completed video views across digital channels

40% TV reached almost 40% of our 25 – 39 year old audience

4 - 7 mins average article reading time for the Spinoff partnership

Low cost Lower than industry average cost per clicks for all activity

Improved perceptions of Wellington as a place to live and work

17.

MAKING THE NEWS

173
INTERNATIONAL MEDIA HOSTED IN WELLINGTON

1,716
STORIES IN THE AUSTRALASIAN MEDIA

Our visitor focused PR programme has delivered its most successful results to date. Australasian media activity delivered 1,015 stories and our partnership media activity with Tourism NZ, hosting international media delivered thousands more – including results from the hosting of several high-profile influencers from China and the US.

Media hasn't just focused on profiling Wellington as a visitor destination. Our pan-economy media campaign delivered strong results for the city and its diverse, bustling business community. The stories we secured helped to build the region's reputation in New Zealand, Australia and beyond.

We have told stories about the strength of Wellington's collaborative business environment and enhanced the profiles of local companies in the Australian media, including Trade Me, Postr, L2VR, and ProjectR.

Using WREDA spokespeople, we have highlighted Wellington's prosperous, collaborative and innovative environment, and demonstrated how the city's planning and leadership has made it a competitor on the global stage.

New Zealand and Australian PR and hosted business journalists generated 701 stories and $2,591,740 in equivalent advertising value.

WELCOMING VISITORS TO WELLINGTON

The Wellington i-SITE Visitor Information Centre was displaced by the November 2016 earthquake, relocating to a nearby space in front of the Michael Fowler Centre.

Despite the disruption, the i-SITE team received and managed cruise ship visitors and summer trade as scheduled.

The year finished on a high, with sales during the week of the DHL NZ Lions Series up by 141% compared to the same week in 2016.

87 CRUISE SHIP ARRIVALS

170,000+ PASSENGERS IN WELLINGTON

$39 MILLION ESTIMATED CRUISE EXPENDITURE[1]

REACHING NEW MARKETS

Making the most of the Singapore Airlines 'Capital Express' flight for Wellington means ensuring that travel trade agents across Asia and beyond are aware of the service, understand Wellington's key attractions, and incorporate us into the New Zealand itineraries they design and book.

Trade training and agent familiarisation visits were therefore a key focus area for our Travel Trade Marketing team in 2016/17. A record 498 travel sellers from around the world were hosted in Wellington over the last 12 months, including 100 Australian agents who travelled on the September inaugural flight.

The team trained close to 2,000 agents, primarily across Canberra, Singapore, and feeder routes through South East Asia, resulting in the sale of new Wellington and Wairarapa itineraries and strong use of the service.

We also trained the tour hosts of Lions Rugby Travel, the largest inbound operator, on what to do and see in Wellington, several months out from the tour itself.

[1] *source: Cruise New Zealand*

WORLD WIDE WEB WELLINGTON

Annual visitation records for WellingtonNZ.com were smashed, thanks in part to the huge volume of traffic driven by LookSee Wellington's global publicity.

Overall, WellingtonNZ.com finished the financial year with 4.3 million visits (+41% YOY) from 2.6 million users (+51% YOY) who viewed 8.8 million pages (+36% YOY).

Integration of web presences originating across WREDA's business units continued throughout the year, increasing the value of the platform and diversifying traffic sources. The culmination of this process in 2016/17 was the development of VenuesWellington.com.

TOTAL SUBSCRIBED DIGITAL AUDIENCE 369,215

SOCIAL MEDIA FANS 228,818

ENEWS SUBSCRIBERS 140,397

VenuesWellington.com is the first website to be built using WREDA's 'single platform' approach, and replaces the legacy platform PWV.co.nz. This site's job is to promote our civic-owned venue portfolio to potential hirers, and drive leads to our sales team.

Presented as a standalone website with specific navigation structure and content, VenuesWellington.com is built on the digital infrastructure, templates and functionality of WellingtonNZ.com.

Single platform design brings better functionality, lower ongoing maintenance costs and increased efficiency of new developments. Users also benefit from a richer content experience.

Compared with the previous platform, time on site for VenuesWellington.com has increased by 26%.

AFTER LIVING AND WORKING HERE ON THE FILM PETE'S DRAGON, STAR BRYCE DALLAS HOWARD APPEARED IN A TOURISM NEW ZEALAND CAMPAIGN, CALLING WELLINGTON HER "FAVOURITE CITY".

EVENTS & PARTNERSHIPS

This team brings together our Major Events, Business Events Wellington, Performance Event Attraction and Partnership functions.

The team delivered a successful major events programme, which exceeded KPIs in terms of overall attendance and return on investment.

We enjoy a collaborative relationship with WREDA. From event attraction, development and delivery, our teams work hand-in-hand to deliver the best outcomes for the Wellington region.

SHANE HARMON
CHIEF EXECUTIVE,
WELLINGTON REGIONAL STADIUM TRUST

21:1
AVERAGE RETURN ON INVESTMENT ACROSS MAJOR EVENTS PORTFOLIO

$88.6M
ESTIMATED ECONOMIC RETURN

A YEAR OF MAJOR EVENTS

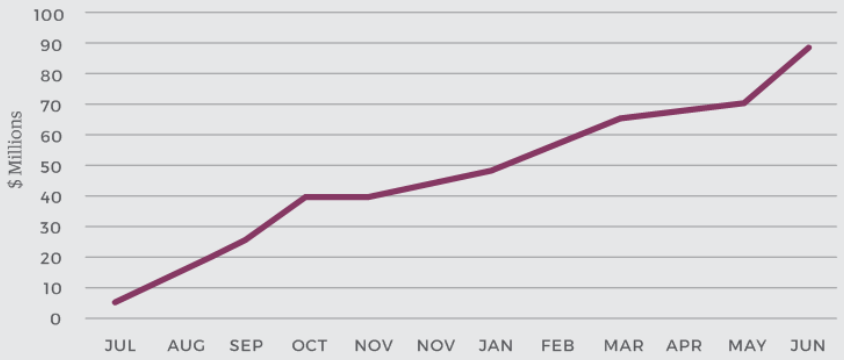
WREDA supported the following Major Events in the past financial year:

- Pulse Netball
- Hurricanes Rugby
- HSBC Sevens
- Black Caps v Bangladesh & South Africa
- All Whites v Fiji
- All Blacks v Australia (Bledisloe)
- Hurricanes v Lions

- World of WearableArt™ Awards Show
- Cindy Sherman Exhibition
- Wellington Jazz Festival
- Keith Urban/Carrie Underwood
- Jim Beam Homegrown
- CubaDupa
- NZ Brass Band Champs
- LUX light festival
- Guns n Roses

- Pinot Noir 2017
- Beervana
- Visa Wellington On a Plate

OUR MAJOR EVENTS DRIVE VISITOR SPENDING THROUGHOUT THE YEAR



Cumulative out-of-region spending estimate for major events attendees 2016-17

SCORING THE FOOTBALL

The WREDA Major Events team, in partnership with Westpac Stadium, successfully won the rights to host the FIFA World Cup 2018 Intercontinental Playoff. Scheduled for November 2017, and featuring New Zealand and the 5th ranked team from South America, the match will attract visitors from across New Zealand and generate international media exposure for the Wellington region.

WINNING MORE CONFERENCES

Wellington's national market share of business events continues to grow, increasing 6% in the financial year, following a 2% gain in the year prior. Wellington now hosts 22% of New Zealand's multi-day business events.

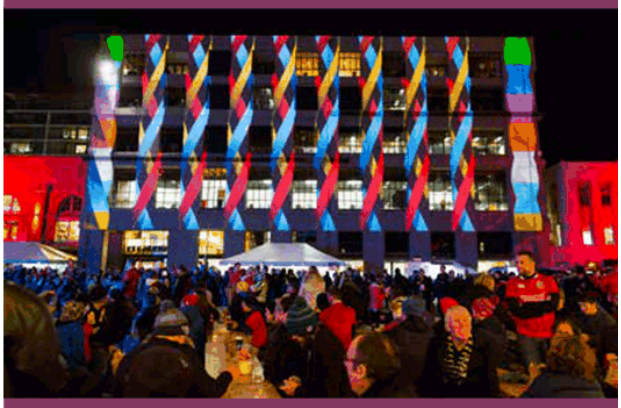
In the past financial year, Business Events Wellington participated in successful bids for business events worth an estimated $25 million to the regional economy.

TOP 5 CONFERENCE BIDS WON IN 2016/17

1. JOINT AUSTRALIA & NEW ZEALAND SOCIETY OF ANAESTHETISTS 2020
2. WORLD CONGRESS OF PUBLIC SERVICES INFORMATION 2020
3. HEALTH INFORMATICS NEW ZEALAND CONFERENCE 2018
4. INTERNATIONAL CONFERENCE ON ADVANCED MATERIALS & NANOTECHNOLOGY 2019
5. ILGA WORLD CONFERENCE 2020

SPOTLIGHT

DHL NEW ZEALAND LIONS SERIES



WREDA PLAYED A KEY ROLE IN SECURING TWO MATCHES IN THE DHL NEW ZEALAND LIONS SERIES FOR WELLINGTON, AND IN MAXIMISING THE OPPORTUNITY OF THE WEEK.

Our team convened the Regional Coordination Group, bringing together NZ Rugby, Westpac Stadium, emergency services, transport operators, hospitality & accommodation sector, Wellington Airport and local council representatives. This group coordinated planning and operational delivery across the region, and liaised with national organisers.

Internally, we brought together team members from Major Events, Destination Marketing, Media, Trade Tourism, Venues and Business Growth & Innovation, to manage fan activations, business leverage events, promotion and media.

With an estimated 15,000 visitors for the Hurricanes match, and 26,000 for the test, the week had a significant impact on the regional economy.

26,000 VISITORS

1,200 CAMPERVANS

1,000 EXTRA TEMP JOBS

24,000 PEOPLE THROUGH THE FAN ZONE

$30m ESTIMATED ECONOMIC IMPACT

100% OCCUPANCY IN REGIONAL ACCOMMODATION

21.

VENUES WELLINGTON

Our portfolio of civic venues (TSB Bank Arena & Auditorium (Shed 6), Michael Fowler Centre, St James Theatre, The Opera House) were successfully managed in 2016/17, welcoming more than 630,000 locals and visitors across its performance and business event programmes.

RUNNING THE SHOW

Within two days of the Kaikoura earthquake, all venues were inspected, cleared and cosmetic repairs undertaken and were operating as normal. None of the properties earthquake ratings were affected. Owners Wellington City Council have committed to a strengthening programme for the St James Theatre, designed to protect this historic building and civic asset in the event of future seismic activity.

We installed a new sports floor at TSB Bank Arena, providing an international-standard playing surface for our two resident sports franchise hirers, Central Pulse and Wellington Saints.

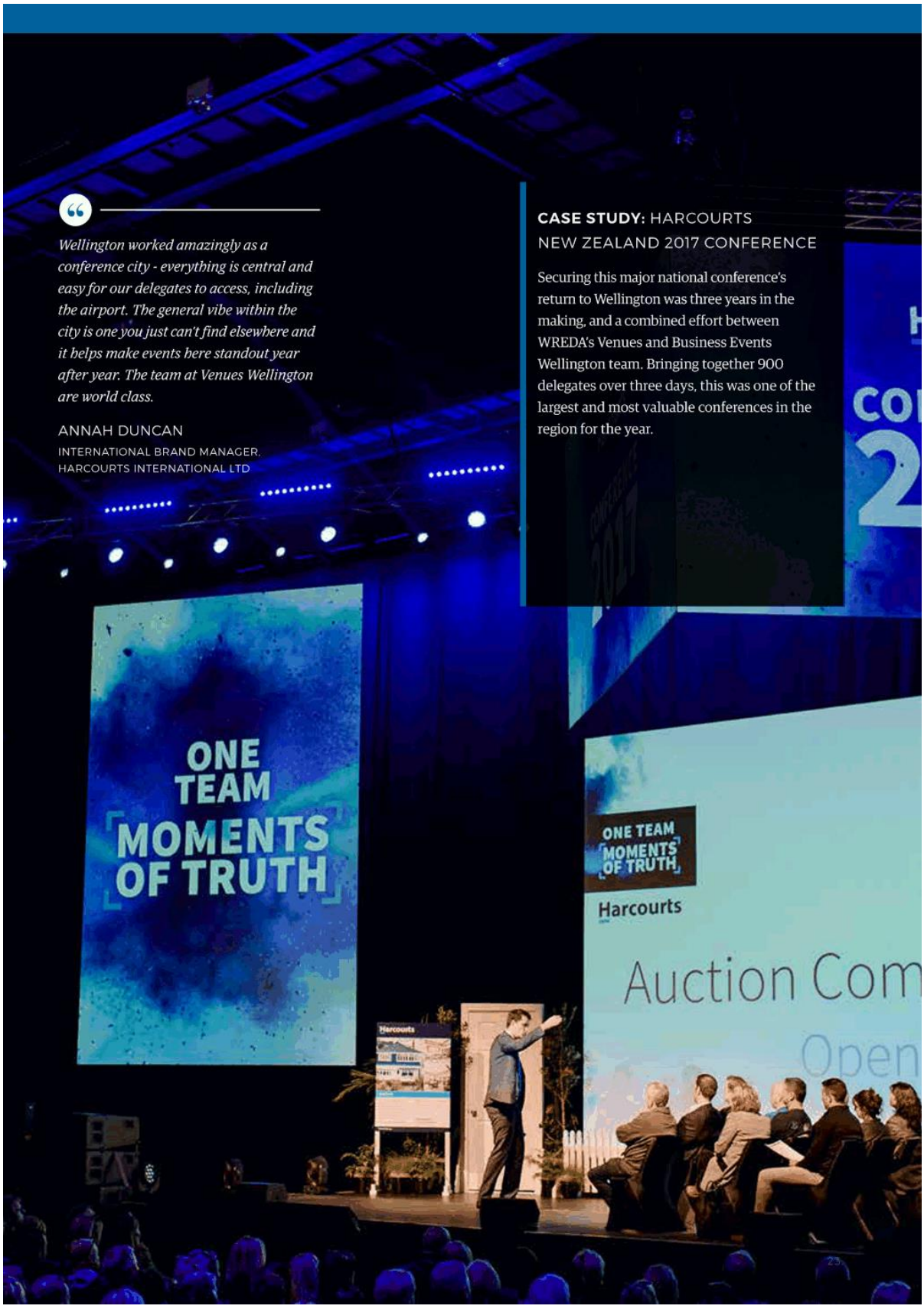
At the conclusion of the previous arrangement, we opened our ticketing services to market, and, following a thorough closed tender process, appointed Ticketmaster.

Sell-out performance events included Joseph and The Amazing Technicolour Dreamcoat, (with promoters quoting Wellington as the most attended season through the New Zealand tour), An Evening with Dr Jane Goodall, Sol3 Mio, PJ Harvey, Bill Bailey, Nick Cave & the Bad Seeds, Don Henley, Twenty One Pilots, Broods and Ronan Keating.

Our resident hirers the Royal New Zealand Ballet, New Zealand Symphony Orchestra (who celebrated their 70th anniversary), Opera New Zealand, Orchestra Wellington and Chamber Music New Zealand also enjoyed excellent seasons.

A focused business events sales strategy boosted the number of national and international multi-day conferences in the region. Out-of-town conference delegates increased by 6,000 over the year.

PERFORMANCE & BUSINESS EVENTS


Wellington worked amazingly as a conference city - everything is central and easy for our delegates to access, including the airport. The general vibe within the city is one you just can't find elsewhere and it helps make events here standout year after year. The team at Venues Wellington are world class.
ANNAH DUNCAN
INTERNATIONAL BRAND MANAGER, HARCOURTS INTERNATIONAL LTD
CASE STUDY: HARCOURTS NEW ZEALAND 2017 CONFERENCE
Securing this major national conference's return to Wellington was three years in the making, and a combined effort between WREDA's Venues and Business Events Wellington team. Bringing together 900 delegates over three days, this was one of the largest and most valuable conferences in the region for the year.
ONE TEAM MOMENTS OF TRUTH
ONE TEAM MOMENTS OF TRUTH
Harcourts
Auction Com
Open

WELLINGTON'S EVENTFUL YEAR

Sol3 Mio

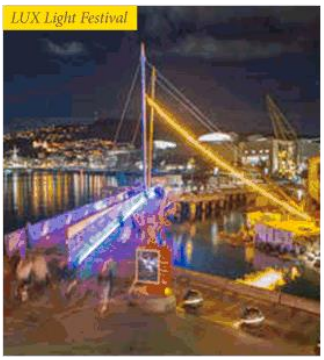
Don Henley

Joseph and the amazing technicolour dreamcoat

Royal New Zealand Ballet

Broods

Bill Bailey


LUX Light Festival

Beervana

Visa Wellington On a Plate

WOW™

Orchestra Wellington

Hurricanes

Nick Cave & The Bad Seeds

New Zealand Symphony Orchestra

Ronan Keating

PJ Harvey

21 Pilots

Cuba Dupa

New Zealand Opera

25.

STATEMENT OF SERVICE PERFORMANCE

PROGRAMME	MEASURE	MEASURE / TARGET	FY17 RESULT	FY16 RESULT*
Sector Growth Initiatives	GDP growth of priority sectors above wellington average[5]	0.5%	1%	2.2%
	Employment growth of priority sectors above Wellington average[6]	0.5%	0.5%	2.3%
	Interns placed in priority sectors[25]	200	221	199
Regional Business Partner Programme	Performance against measured contract KPIs	100%	96%[1]	Current RBP contract started half-way through FY16. Also NZTE/Callaghan Innovation performance measures materially changed
Destination marketing	Total commercial guest nights[14]	3.15M	3.11M[15]	3.05M
	Australian visitor spend[16]	$195M	$243M	$223M
Talent attraction	Net permanent and long-term arrivals	2000	3787[11]	3167
	Wellington share of total net permanent and long-term arrivals	4%	5.2%	4.6%
Business attraction	Number of jobs in successfully attracted prospect businesses[12]	50	295[13]	N/A - Not measured in FY16
Media hosting programme	Number of media hosted in Wellington	120	173[22]	106
Champion Wellington success stories	Number of stories in Australasian media	625	1716[24]	496
Major events	ROI via out of Wellington spend[20]	20:01	21:01	N/A – a new activity for WREDA
	Total event attendance	600,000	657,700[23]	N/A – a new activity for WREDA
Business Events Wellington	NZ market share multi-day conferences[17]	16%	22%	16%
Wellington International Student Growth Program	International student enrolments[7]	8500	8179[8]	7433
	NZ Market share of International students[9]	6.5%	6.21%[10]	6.1%

***FY16 RESULTS ARE UNAUDITED**

1 Delivery of the RBP programme slowed down in the first half of FY17, due vacant roles in July-October followed by the Kaikoura earthquake in November. At the half-year mark, our measured performance was tracking at 80% of target and picked up strongly in the second half.

2 The budgeting for innovation services was done in February 2016 and was in line with moderate growth of these services. However we have experienced strong demand for these services, in particular over the last 3 months of the financial year with very strong.

3 This does not include R9 investments as the investment showcase for this did not occur until June2017.

4 Source: Stats New Zealand Screen Industry Survey.

5 Source: Infometrics.

6 Source: Infometrics.

7 Source: Education New Zealand.

8 International student enrolments are released annually on a calendar year basis and there has always been a misalignment between Financial Year reporting and calendar reporting. The SOI does not align correctly with the targets within the Wellington International Student Growth Programme. To mitigate this we have now introduced a new 'student visa' measure which can be reported on a financial year basis.

9 Source: Education New Zealand.

10 Market share growth of 6.5% was a stretch target that can be influenced by the success or failure of other regions.

11 Like New Zealand as a whole, Wellington has experienced record growth in net migration which has exceeded all expectations.

12 The number of jobs created in businesses that WREDA successfully attracted

13 Concentrix, a business we were involved in attracting to Wellington in 2016, has grown rapidly and employed a significant number of new staff.

14 Stats New Zealand, Accommodation Survey.

PROGRAMME	MEASURE	MEASURE / TARGET	FY17 RESULT	FY16 RESULT
Screen Wellington	Conversion rate of logged enquiries to confirmed production	25%	25.8%	N/A Not measured in FY16
	Total revenue from screen industry[4]	$650M	Not available until April 2018	$728M
	Customer satisfaction survey	80%	96.7%	N/A – Not undertaken in FY16
Creative HQ	Revenue from commercial innovation services	$0.5M	$2.03M[2]	$1.06M
	Lightning Lab participant investment raised	$3.5M	$2.45M[3]	$3.8M
	Students completing Venture Up programme	50	51	50
Venue operations	Utilisation of venues	65%	54.2%[18]	56.3%
	Growth in number of out of town venue attendees	2.5%	3.05%	N/A
	Net surplus target	$120K	$276K[19]	$352K
Visitor infrastructure	Value of pre-bookings for Wellington Convention Centre	$1M	N/A - Decisions relating to the building of the venue have been delayed due to ongoing discussions with the external partner	N/A Not targeted in FY16
The Wellington Partnership[23]	Partnership participation numbers	20	N/A due to change in focus of activity	N/A – A new activity
	Partnership satisfaction score	80%	75%	N/A – A new activity
Scale-Up programme	Metrics for evaluation are developed during programme design	TBC	CreativeHQ undertook phase one – a discovery phase	N/A – A new activity
Global liveability reputation	Mercer Liveable Cities ranking	#11	#15	#12

15 The visitor market has generally been strong across the 2016-17 year but was significantly impacted by the 14 November earthquakes which had an immediate and dramatic effect for a period that the city did not fully recover from until the business year restarted in February 2018.

16 Source MBIE Regional Tourism Estimates.

17 Source: MBIE, Convention Activity Survey

18 The use of Venues did not increase in 2016-17 although the number of people visiting events in the venues has increased. In the 2017-18 SOI WREDA has committed to reviewing Venue Operations to identify ways of increasing Venue utilisation.

19 The sizable differences between this year's result, the target and last year's result are due to a change in the arrangement between WREDA and WCC.

20 The ROI on Major Events investment, is calculated from the total amount invested in the Major Events portfolio, and the estimated direct spend of out of region visitors to those events.

21 The positive variance in Major Event attendance is attributable to unbudgeted Super Rugby quarterfinal, semi-final and final matches in July 2016, along with the unbudgeted the All Whites match vs Fiji football international in March 2017.

22 Wellington benefited from an increase in New Zealand-wide visits by international media organised by Tourism New Zealand.

23 The Wellington Partnership was changed during the FY to a broader stakeholder and partnership management programme, rather than a membership based programme as initially envisaged.

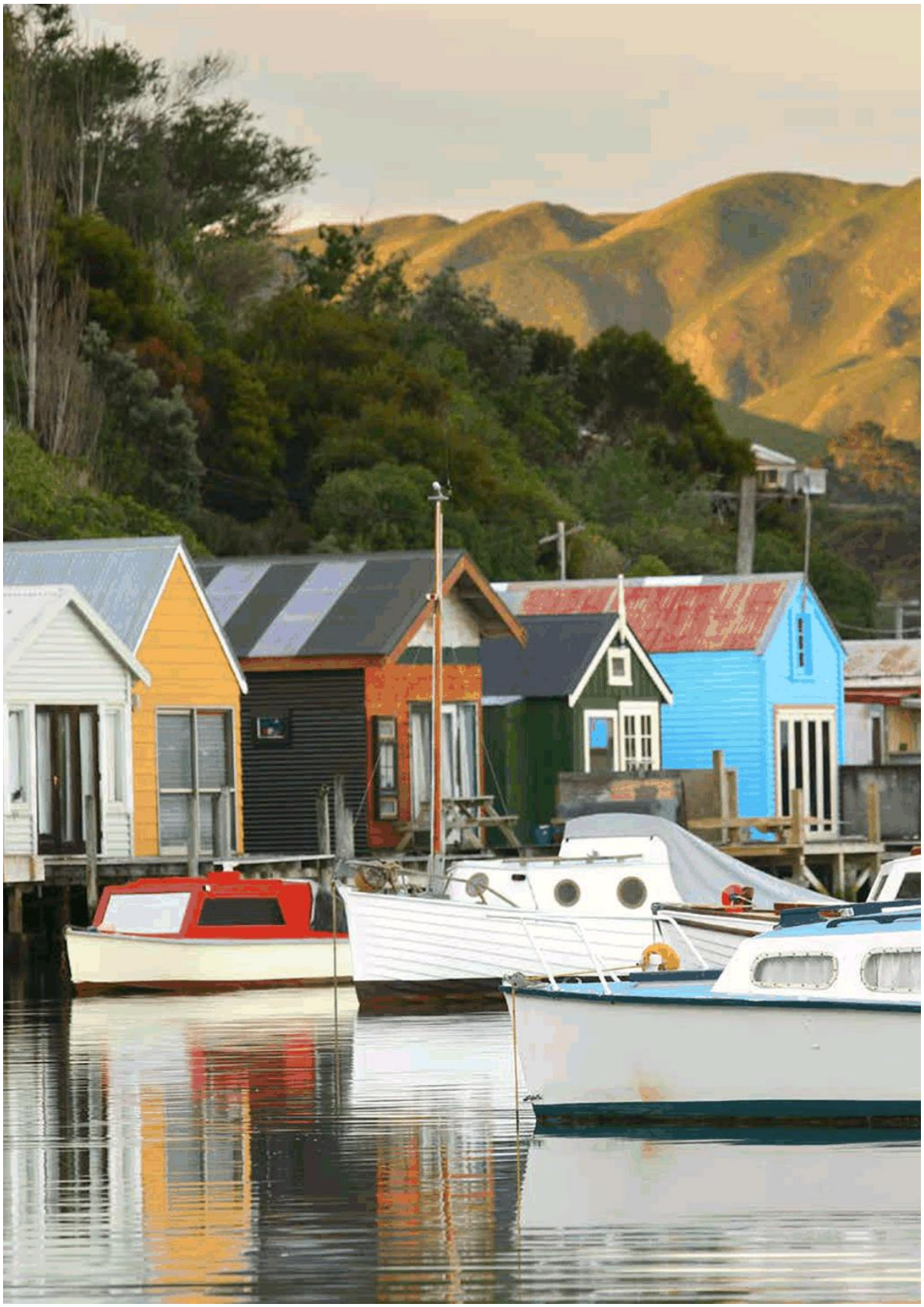
24 The higher number of articles reflect - increased number of famils, increased syndication of stories, increased proactive content placement, and LookSee Wellington media pickup.

25 This activity was incorrectly labelled Summer of Tech Interns in the 2016/17 SOI. Summer of Tech is a major component of WREDA intern placement activity, but is a subset of the total. Results and measures all refer to total intern activity and are consistent and comparable.

27.

BENCHMARK INDICATORS

WELLINGTON MEASURES	2017 FORECAST (SOI)	2017 (LATEST AVAILABLE, JUNE 2017 UNLESS OTHERWISE STATED)	AS AT	SOURCE
Real GDP growth	3.0%	2.60%		Infometrics
GDP per capita	$68.2K	$59,269	OCT-16	Infometrics
Exports growth	3.0%	10.10%	OCT-16	Infometrics
Jobs growth	2.5%	4.60%		Statistics NZ, HLFS
Employment rate	69.0%	70.1		Statistics NZ, HLFS
Average household income	$113.5K	$102.80	JUN-15	Statistics NZ, Household Expenditure Survey
Productivity growth	1.2%	0.4%	OCT-16	Infometrics
Population	508,000	504,900	JUN-16	Statistics NZ
Visitor movements through Wellington Airport	471,755	440,650		Statistics NZ, Infoshare
Regional GPI	91.5	N/A	N/A	GWRC



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

INDEPENDENT AUDITOR'S REPORT

To the readers of Wellington Regional Economic Development Agency Limited group's financial statements and performance information for the year ended 30 June 2017

The AuditorGeneral is the auditor of Wellington Regional Economic Development Agency Limited group (the group). The AuditorGeneral has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of the group, on his behalf.

OPINION

We have audited:

- the financial statements of the group on pages 35 to 58, that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive revenue and expense, the statement of changes in equity and the statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the group on pages 26 to 28.

In our opinion:

- The financial statements of the group on pages 35 to 58:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2017; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- the performance information of the group on pages 26 to 28 presents fairly, in all material respects, the group's actual performance, compared against the performance targets and other measures by which performance was judged in relation to the group's objectives for the year ended 30 June 2017.

Our audit was completed on 9 November 2017. This is the date at which our opinion is expressed.

The basis of our opinion is explained below, and we draw your attention to the uncertainties in the carrying value of unlisted shares in incubator and accelerator companies. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Uncertainties in the carrying value of unlisted shares in incubator and accelerator companies

Without modifying our opinion, we draw your attention to; the investments in incubator and accelerator companies accounting policy on page 42, and in note 12 of the financial statements, that explain how the fair value of shares in incubator and accelerator companies has been determined and the uncertainties in measuring that fair value. Although the fair value of unlisted shares in incubator and accelerator companies is based on the best information available, there is a high degree of uncertainty about that value due to the early stage nature of the investments, the absence of quoted market prices and the reliance placed on the information supplied by the incubator and accelerator companies. This uncertainty could have a material effect on the statement of comprehensive revenue and expense and statement of financial position.

BASIS OF OPINION

We carried out our audit in accordance with the AuditorGeneral's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the AuditorGeneral's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS AND THE PERFORMANCE INFORMATION

The Board of Directors is responsible on behalf of the group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the group.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the group for assessing the group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE PERFORMANCE INFORMATION

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the AuditorGeneral's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the AuditorGeneral's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible solely for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify in our audit.

Our responsibilities arise from the Public Audit Act 2001.

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 4 to 25 and 34, but does not include the financial statements and the performance information, and our auditor's report thereon.

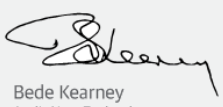
Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENCE

We are independent of the group in accordance with the independence requirements of the AuditorGeneral's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners, issued by New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the group.



Bede Kearney
Audit New Zealand
On behalf of the AuditorGeneral, Wellington, New Zealand

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LTD

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

STATEMENT OF COMPLIANCE

The Board and Management of the Wellington Regional Economic Development Agency Limited (WREDA the Company and Group) acknowledge that the company has not met the requirement of S67(1) of the Local Government Act 2002 to make its annual report publicly available by 30 September 2017. Apart from this they confirm that all other statutory requirements in relation to this annual report, as outlined in that Act and the Companies Act 1993, have been met.

STATEMENT OF RESPONSIBILITY

The Board and Management accept responsibility for the preparation of the annual financial statements and judgements used in them and hereby adopt the financial statements as presented. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and service performance reporting. In the opinion of the Board and Management, the annual financial statements for the year ended 30 June 2017 fairly reflect the financial position, financial performance and service performance achievements of the Wellington Regional Economic Development Agency Limited and Group.

Peter Biggs
CHAIR
9 NOVEMBER 2017

Grant Guildford
RISK AND AUDIT COMMITTEE MEMBER
9 NOVEMBER 2017

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LTD
STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE
FOR THE YEAR ENDED 30 JUNE 2017

		GROUP		
REVENUE	NOTES	2017 ACTUAL $	2017 BUDGET $	2016 ACTUAL $
Service revenue	4	18,995,259	-	12,609,432
Management fee	5	5,237,689	-	5,656,160
Interest revenue		66,690	-	68,869
Investment revenue		-	-	39,534
Rental revenue		101,318	-	107,315
Other revenue	6	7,379,876	-	6,061,104
TOTAL REVENUE		**31,780,832**	**27,833,338**	**24,542,414**
EXPENSES				
Personnel costs	7	12,901,472	-	13,015,076
Directors fees	23	274,450	-	277,583
Depreciation and amortisation	10,11	134,333	-	136,503
Other expenses	8	17,420,570	-	11,115,143
TOTAL EXPENSES		**30,730,825**	**27,857,731**	**24,544,305**
SURPLUS/(DEFICIT) BEFORE INCOME TAX AND SUBVENTION		**1,050,007**	**(24,393)**	**(1,891)**
Subvention payment		23,874	-	54,728
Income tax expense	9	148,667	-	(62,567)
Surplus/deficit for the year		**877,466**	**(24,393)**	**5,948**
Other comprehensive revenue and expense				
Movement in fair value of investment assets		(56,089)	-	(20,510)
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		**821,377**	**(24,393)**	**(14,562)**

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE 35.

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

		GROUP		
ASSETS	NOTES	2017 ACTUAL $	2017 BUDGET $	2016 ACTUAL $
Current assets				
Cash and cash equivalents	15	1,706,958		1,958,494
Trade and other receivables	13	2,257,053		1,168,104
Prepayments		209,457		49,968
Inventories		937		1,597
TOTAL CURRENT ASSETS		4,174,405	2,214,168	3,178,163
Non-current assets				
Property, plant and equipment	10	344,380		281,128
Intangible assets	11	11,749		17,007
Other financial assets	14	41,349		51,226
Investments in incubator and accelerator companies	12	1,413,177		1,427,407
Deferred tax asset	9	110,970		117,473
Total Non-current assets		1,921,625	1,688,200	1,894,241
TOTAL ASSETS		6,096,030	3,902,368	5,072,404

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LTD
STATEMENT OF FINANCIAL POSITION (CONT'D)
AS AT 30 JUNE 2017

		GROUP		
LIABILITIES	NOTES	2017 ACTUAL $	2017 BUDGET $	2016 ACTUAL $
Current liabilities				
Trade payables	17	1,421,214		1,009,204
Employee entitlements	16	1,081,299		846,607
Sundry creditors and accruals	18	790,652		545,186
Deferred Revenue		264,314		974,422
Taxes and KiwiSaver payable	19	124,495		182,040
Total Current liabilities		3,681,974	2,383,113	3,557,459
TOTAL LIABILITIES		3,681,974	2,383,113	3,557,459
NET ASSETS		2,414,056	1,519,255	1,514,945
EQUITY				
Share capital		1,000		1,000
Capital injection from shareholder		1,577,137		1,577,137
Fair Value Reserve		321,964		378,053
Accumulated funds		513,955		(441,245)
TOTAL EQUITY		2,414,056	1,519,255	1,514,945

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

37.

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

		GROUP		
	NOTES	2017 ACTUAL $	2017 BUDGET $	2016 ACTUAL $
Balance at 1 July		1,514,945		1,529,507
Movement in investment reserve		(56,089)		(20,510)
Total comprehensive revenue and expense for the year		877,466		5,948
Prior period adjustment		77,734		-
BALANCE AT 30 JUNE		2,414,056		1,514,945

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

		GROUP	
CASH FLOWS FROM OPERATING ACTIVITIES	NOTES	2017 ACTUAL $	2016 ACTUAL $
Receipts from activities and other income		10,933,578	12,807,157
Receipts from Grants and Subsidies - Operating		18,995,259	12,549,037
Payments to suppliers/employees		(29,839,899)	(25,113,195)
Net GST paid		(79,786)	(111,181)
Income tax (paid) / received		(172,541)	(31,331)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		**(163,389)**	**302,848**
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		66,690	68,869
Receipts from CHQ Investments		121,649	(64,925)
Partial Repayment of loan received		15,000	-
Purchase of Investments		(95,000)	-
Purchase of property, plant and equipment & intangibles		(196,477)	(38,827)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		**(88,147)**	**(34,883)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend Income (paid)		-	39,534
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**-**	**39,534**
Net increase/(decrease) in cash and cash equivalents		(251,536)	307,499
Cash and cash equivalents at beginning of period		1,958,494	1,650,995
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		1,706,958	**1,958,494**

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Wellington Regional Economic Development Agency Limited (WREDA the company and Group) combines the activities, functions and funding of business units previously under the control of the Wellington City Council and the Greater Wellington Regional Council. WREDA is the 100% shareholder of Creative HQ Limited, the regions business incubator and accelarator.

WREDA aims to integrate, streamline, strengthen and, as required, modify the core activities of the legacy organisations so that the Wellington Region's prosperity will be improved and its global reputation as a centre of creativity, enterprise, diversity and liveability will be enhanced. As a result, the Region will be more attractive to visitors, investors, migrants, students and entrepreneurial businesses, and will also retain existing enterprises and enable them to grow.

The Wellington City Council's wholly owned subsidiary, Wellington Venues Limited was incorporated under the Companies Act 1993 on 19 January 2011. Wellington Venues Limited name was changed to Wellington Regional Economic Development Agency Limited (WREDA Limited) on 5 December 2014. WREDA Limited remains domiciled in New Zealand and the address of its registered office is 111 Wakefield St, Wellington.

Also, on 5 December 2014, the Wellington City Council and the Greater Wellington Regional Council entered in a share transfer agreement to transfer 200 ordinary shares of the 1000 ordinary shares available in WREDA Limited to the Greater Wellington Regional Council in consideration for 100% in Grow Wellington Limited.

As a result of the share transfers, WREDA Limited is owned 80% by Wellington City Council and 20% by Greater Wellington Regional Council. WREDA Limited received 100% shareholding in Grow Wellington Limited as an equity injection from the Wellington City Council, also on 5 December 2014. Grow Wellington Limited also had a wholly owned subsidiary, Creative HQ Limited.

On 12 December 2014, WREDA Limited accepted the transfer of assets including liabilities, free from all security interests, from the Partnership Wellington Trust. The activities of the Partnership Wellington Trust, trading as Positively Wellington Tourism also transferred to WREDA Limited on this date.

On 29 June 2016 WREDA Limited and Grow Wellington Limited amalgamated. WREDA Ltd remained as the continuing entity. WREDA Limited remains a council controlled organisation as defined under section 6 of the Local Government Act 2002.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies which materially affect the recognition, measurement and disclosure of items in the preparation of these financial statements are set out below.

2.1 BASIS OF PREPARATION

The financial statements of WREDA are for the year ended 30 June 2017. The financial statements were authorised for issue by the Board of Directors on 9 November 2017.

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the Public Entity Standards Reduced Disclosure Regime (PBE Standards RDR) as appropriate for Tier 2 not for profit public benefit entities, and disclosure concessions have been applied.

Whilst the Group is publically accountable and has had operating expenditure in the current financial year of just over $30m, operating expenditure was below $30m in the previous financial period and is anticipated to be in the next financial period as well and has therefore elected not to report in this financial period as a Tier-1 Organisation.

MEASUREMENT BASE

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position, which are measured at fair value:

Investment in incubator and accelerator companies

- Employee entitlements
- Loan issued

The financial statements are presented in New Zealand dollars ($) which is the controlling entity's functional and Group presentation currency.

COMPARATIVE INFORMATION

The comparatives shown in these financial statements are for the 12 months ended 30 June 2016.

CHANGES IN ACCOUNTING POLICIES

There have been no elected changes in accounting policies during the financial period. Public Sector PBEs with reporting periods beginning on or after 1 July 2014 are required to transition to the new PBE Accounting Standards. The first time adoption of the new suite of Public Benefit Entity Accounting Standards with reduced disclosure requirements (PBE standards RDR) after having previously applying NZ IFRS PBE (differential reporting) or "old NZ GAAP" does not constitute a change in accounting policies.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of WREDA and its subsidiaries (the Group) as at 30 June 2017. A Group structure diagram is included in note 27.

SUBSIDIARIES

Subsidiaries are all those entities over which WREDA (the company and Group) has the power to govern the financial and operating policies of so as to obtain benefits from their activities.

Accounting policies of our subsidiary are aligned to ensure consistency with the policies adopted by the Company and Group. The financial statements of subsidiaries are prepared for the same reporting period as WREDA, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intragroup transactions and dividends have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is lost. Assets, liabilities, income and expenses of a controlled entity acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the controlled entity.

BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. The acquisition method involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

FINANCIAL ASSETS

WREDA's financial assets include cash and cash equivalents, trade and other receivables, and loans receivable. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through surplus or deficit, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets are recognised on the date that the Group commits to purchase or sale of the asset.

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.

SUBSEQUENT MEASUREMENT

For the purpose of subsequent measurement, financial assets are classified in two categories:

(i) Loans and receivables

(ii) Held to maturity investments

(i) LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Losses arising from impairment are recognised in the Statement of Comprehensive Revenue and Expenses in finance and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables.

(ii) HELD-TO-MATURITY INVESTMENTS

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when WREDA has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognised in the Statement of Comprehensive Revenue and Expenses in other expenses.

IMPAIRMENT OF FINANCIAL ASSETS

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 120 days overdue are considered objective evidence of impairment. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

INVESTMENTS IN INCUBATOR AND ACCELERATOR COMPANIES

The measurement of financial assets depends on their classification based on the purpose for which financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Creative HQ Limited (CHQ), receives shares from clients involved in its incubation programme as part consideration for the services and support provided by CHQ and the Lightning Lab to the client. The shares received represent a small proportion of the total equity of the client company. These shares are investments in equity instruments that do not have a quoted market price in an active market and are designated as available for sale.

CHQ recognises the initial investment in the companies according to the programme the company is involved in, incubator programme or accelerator programme. Companies in the incubator programme do not have a value on initial recognition as no external investment has yet occurred and therefore the fair value of the initial investment is valued at nil.

Companies in the accelerator programme have initial recognition at fair value through other comprehensive revenue and expense. This is determined by the value per share based on the funding provided to each company in the programme in exchange for equity in the company. As at 30 June 2017 the valuation of CHQ's investments is based on the price of the most recent investment made by external investors, unless there is evidence that the value of the investment should be adjusted as the performance of the investment is significantly below the expectations on which the investment was based, leading to a diminution in value. CHQ is reliant on receiving recent investment information from incubator and accelerator companies directly through yearly information requests.

The valuation of these investments is undertaken by CHQ using accepted industry guidelines. The International Private Equity and Venture Capital Valuation Guidelines (IPEV) have been accepted as the industry standard valuation guidelines and are based on the principle of 'fair value' and are reviewed following any relevant changes in accounting standards or market practices. The IPEV Guidelines provide a framework for private equity and venture capital investors to arrive at a fair value for their investments. The IPEV are of the view that compliance with PBE accounting standards can be achieved by following the guidelines.

IPEV Guidelines recommend that for early stage investments, where it is difficult to assess the future profitability of the company, fair value is generally determined by the price of the most recent investment. This methodology is appropriate until the circumstances of the company change such that an alternative valuation methodology (such as, but not limited to price/earnings analysis or discounted cash flow) is appropriate or there is evidence that the value of the investment should be adjusted. An adjustment is considered necessary where the performance of the investment is significantly below the expectations on which the investment was based, leading to a diminution in value. The level of adjustment can range from nil to 100% of the value.

A significant or prolonged decline in fair value of the investment below its cost is considered to be objective evidence of impairment. Where the asset is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the fair value reserve is reclassified from equity to profit or loss as a reclassification or adjustment. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive revenue and accumulated as a separate component of equity in the fair value reserve.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets with finite useful lives are reviewed for impairment whenever an event or change in circumstances indicates that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

REVENUE

Revenue may be derived from either exchange or non-exchange transactions and comprises grants, management fees, interest income, investment income, rental income and other revenue and is measured at the fair value of consideration received or receivable. Revenue is included in the Statement of Comprehensive Revenue and Expense unless stated otherwise.

(i) REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions arises where WREDA provides goods or services to another entity or individual and directly receives approximately equal value or greater in a willing arm's length transaction (primarily in the form of cash in exchange).

(i) REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transaction arises when WREDA receives value from another party without giving approximately equal value directly in exchange for the value received.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As WREDA satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

APPROXIMATELY EQUAL VALUE

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller.

(i) GRANTS

Grants are in large received from shareholders Wellington City Council and Greater Wellington

Regional Council but also from some Central Government organisations. Grants are recognised when received and all the conditions associated with the 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).

(ii) MANAGEMENT FEE

WREDA manages venues on behalf of the Wellington City Council and receives Management fee revenue for those services. The venues currently managed on behalf of the Wellington City Council include the Michael Fowler Centre, St James Theatre, Opera House, TSB Bank Arena and Conference Centre (Shed 6). Management fee income is recognised in the accounting period in which the services are rendered.

(iii) INTEREST REVENUE

Interest income is recognised as the interest accrues to the net carrying amount of the financial asset using the effective interest method..

(iv) RENTAL REVENUE

Rental revenue is recognised on a straight line basis over the lease term.

(v) OTHER REVENUE

Other revenue received includes fee revenue, capital raising success fees and sponsorships. Fee revenue received from incubator residents partly offsets the costs of running the incubator and is recognised when the future economic revenue is measurable and probable of future economic revenue being received.

Capital raising success fees received from the introduction of companies and individuals to Angel investors. These fees are received when those introduced raise capital. The fee is based on a negotiated percentage of the capital raised.

Sponsorships are received from third parties to partly cover the costs of running the subsidiary programmes and projects. Sponsors were linked to the programme and recognised in all promotions associated with the activity they sponsored.

Sponsorships are recognised when measurable and probable of future economic benefits being received.

Other revenue received are from third parties to cover contracted and other services provided for the third party. These will include training courses, services provided to Education Wellington International and expenses recovered.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are 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 Group and the cost of the item can be measured reliably.

(ii) DISPOSALS

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 Revenue and Expenses.

(iii) DEPRECIATION

Depreciation is charged on a straight-line basis on all property, plant and equipment other than land over the estimated useful life. Depreciation is charged to the Statement of Comprehensive Revenue and Expenses. The useful lives and associated depreciation rates have been estimated as follows:

Class of asset depreciated	Estimated useful life
Computer hardware	2 - 3 years
Equipments	2 - 8 years
Furniture and fittings	3 - 10 years

(iv) SUBSEQUENT COSTS

Subsequent costs for property, plant and equipment are capitalised only when future economic benefits or service potential will flow to the Group and the cost of the item can be measured reliably.

(v) CAPITAL WORK IN PROGRESS

Capital work in progress is recognised at cost less impairment and is not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

INTANGIBLE ASSETS

Intangible assets that are acquired, which have finite useful life, are measured at cost less accumulated amortisation and accumulated impairment losses. The useful lives and associated amortisation rates have been estimated as follows:

Computer software | 3 years
Website | 3 years

(i) AMORTISATION

Amortisation is recognised in the Statement of Comprehensive Revenue and Expenses on a straight-line basis over the estimated useful lives of the intangible assets. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

(ii) COMPUTER SOFTWARE

Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The costs associated with maintaining computer software are recognised as an expense when incurred.

(iii) WEBSITE MAINTENANCE

Costs associated with developing websites are recognised as an intangible asset where it can be demonstrated that the asset will generate probable future economic benefits or service potential. Costs associated with maintaining websites are recognised as an expense when incurred.

IMPAIRMENT OF PROPERTY, PLANT, AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Assets are assessed for indicators of impairment at each financial period. Where an asset's carrying value exceeds its recoverable amount, the asset is impaired down to its recoverable amount, with losses recognised in the Statement of Comprehensive Revenue and Expenses.

External and internal sources of information are assessed for indications of impairment.

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 Revenue and Expenses.

CREDITORS AND OTHER PAYABLES

Creditors and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are recorded at their face value. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

These amounts represent liabilities for goods and services provided to WREDA prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

OPERATING LEASES

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental

to ownership of an asset. Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expenses on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total expenses of the lease expense, over the term of the lease.

PERSONNEL COSTS

(i) SHORT-TERM BENEFITS

Short-term employee entitlements are those that WREDA expects to be settled within 12 months of balance date and are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned, but not yet taken at balance date.

(ii) SUPERANNUATION SCHEME

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in Statement of Comprehensive Revenue and Expenses when incurred.

PROVISIONS

The Group recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Parent from a contract are lower than the unavoidable cost of meeting its obligation under the contract.

INCOME TAX

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively 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. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

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 entity 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 profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

GOODS AND SERVICES TAX (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

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 Balance Sheet.

Commitments and contingencies are disclosed exclusive of GST.

EQUITY AND SHARE CAPITAL

Equity is Wellington City Council and Greater Wellington Regional Council's interest in WREDA, being a council controlled organisation, as measured by total assets less total liabilities. Equity has been classified into various components to identify those portions of equity held for specific purposes.

These components of equity are:

- Accumulated funds
- Share capital
- Capital injection from shareholder
- Available for sale reserves

RELATED PARTIES

Related party means parties that are considered to be related if one party has the ability to (a) control

the other party, or (b) exercise significant influence over the other party in making financial and operating decisions, or if the related party entity and another entity are subject to common control.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client / recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council Group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Related parties include key management personnel, directors and their close family members and entities controlled by them. Key management personnel are the chief executive of WREDA and Creative HQ Limited and the Senior Leadership team of WREDA. Subsidiaries are also related parties due to WREDA's influence over them.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reporting amounts of assets and liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. 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.

In distinguishing between exchange and non-exchange revenues, substance rather than the form of the transaction should be considered. Professional judgement is exercised in determining whether the substance of a transaction is that of a non-exchange or an exchange transaction.

In assessing if an impairment of property, plant, equipment and intangible assets was required, WREDA considered the plans to discontinue or restructure the operation as a result of the merger and the effect any merger will have on the useful life of the assets or the ability to generate continued cash from the assets. No impairment is considered necessary.

Uncertainties are inherent in estimating fair value of the investments in incubator and accelerator companies and care has been made in exercising judgement and making the necessary estimates.

Accounting standards require a gain or loss on fair value of these investments to be recognised in surplus or deficit but there is no certainty that any gain or loss based on the estimate of fair value will actually be realised if a sale was completed.

4. SERVICE REVENUE

	GROUP	
	2017	2016
TOTAL	18,995,259	12,609,432

Service revenues are grants received by WREDA in large from its shareholders Wellington City Council & Greater Wellington Regional Council as well as both central Government organisations and private sector organisations. Service revenues are used to further economic development in the Wellington Region.

On the 1st of July 2016, the Major Events division of the Wellington City Council joined WREDA. 2017 is therefore the first year of revenue and expenditure of this division within WREDA. During 2017, under a management agreement with WCC, WREDA also earned a surplus share from it's operation of Venues Wellington. This share of the Venues Wellington Surplus is to be used for the future enhancement of the Venues Wellington experience.

5. MANAGEMENT FEES

	GROUP	
	2017	2016
TOTAL	5,237,689	5,656,160

Management fees are earned from managing venues owned by Wellington City Council. Fees are chargeable at a value equivalent to the aggregate of employee and directors' costs contained within the Parent's venue management division and fluctuate year on year depending on those costs.

6. OTHER REVENUE

	GROUP	
	2017	2016
Wellington i-SITE Visitor Information Centre revenue	2,101,812	2,669,331
Partner revenue	3,173,588	1,596,959
Cruise shuttle revenue	6,986	271,671
Contract Income, non-government	1,675,489	1,437,901
Gain on sale	21,895	-
Surplus Share - Wellington Venues	268,535	-
Other Income	131,571	85,242
TOTAL	7,379,876	6,061,104

Following the November 2016 Kaikoura earthquake, the Wellington Region suffered a decline in visitor numbers. Wellington i-SITE Visitor Information Centre revenue fell as a result of this decline and is increasing again as visitors return to the Region. Following the earthquake all cruise passengers disembarking were offered by the Port complimentary shuttle services off the Port for health and safety purposes and WREDA lost the ability to shuttle passengers off the Port at a charge. This has had a significant negative impact on our Cruise Shuttle revenue.

During the period we have also had some uplift in our Partner Revenue, through both revenue increases stemming from Creative HQ and also partner revenue uplift from the Parent's involvement in marketing Wellington Venues as part of our Venues Management Agreement with the Wellington City Council. This additional marketing revenue has been offset by the expenditure incurred. As part of our Venues Management Agreement with Wellington City Council, WREDA is entitled from this year to a share of surplus generated within the Venues business of the Wellington City Council. This surplus is to be used for purpose of benefiting the Venues in future financial periods.

7. PERSONNEL COSTS

	GROUP	
	2017	2016
Salaries and wages	12,284,881	12,349,429
Kiwisaver contributions	295,304	294,200
Increase/(decrease) in employee entitlements accruals	209,733	(43,067)
Other personnel costs	111,554	414,514
TOTAL	12,901,472	13,015,076

8. OTHER EXPENSES

	GROUP	
	2017	2016
Marketing, Advertising and printing costs of delivering programs of work	7,120,698	4,884,290
Major Event Sponsorship and Activation	3,854,640	-
Audit fees	90,000	89,589
Conferences and catering	127,810	250,715
Consultants and legal fees	585,315	567,400
Contractors	1,069,625	710,548
Direct costs - i-SITE	1,729,292	2,387,784
Grants and contributions	404,637	9,320
Information and communication technology	409,138	390,792
Loss on disposal of asset	7,336	1,208
Impairment to investment	41,890	-
Leased copiers and office equipment	54,565	37,122
Utilities	36,950	39,384
Rent	601,886	622,538
Travel	159,918	327,263
Stationery	44,247	55,713
Technical Services	424,404	188,784
Membership fees	75,919	48,966
Other expenses	582,300	503,727
TOTAL OTHER EXPENSES	17,420,570	11,115,143

From 1 July 2016 WREDA has undertaken to market the Wellington Venues it operates under a Venues

Management Agreement with WCC, utilising WREDA's in-house marketing team to activate and coordinate these activities. WREDA on-charges a fee to Venues Wellington (a division of WCC) for these services.

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On the 1st of July 2016, the Major Events division of the Wellington City Council joined WREDA. 2017 is therefore the first year of revenue and expenditure of this division within WREDA.

9. INCOME TAX

	GROUP	
COMPONENTS OF TAX EXPENSE	2017	2016
Current tax expense/(benefit)	141,368	-
Adjustments in current tax in prior years	796	-
Deferred tax expense/(benefit)	6,503	(62,567)
TAX EXPENSE/(BENEFIT)	**148,667**	**(62,567)**
RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT		
Net surplus before tax	1,050,007	(1,891)
Tax at 28%	294,002	(530)
Plus (less) tax effect of:		
Non-deductible expenditure	6,068,857	3,233,580
Non-taxable income	(6,156,460)	(3,206,820)
Previously unrecognised tax losses now recognised	-	(49,008)
Group loss offset	(163,631)	-
Under/(Over) provision of income tax in previous period	46,900	
Deferred tax adjustment	58,999	(39,789)
TAX EXPENSE/(BENEFIT)	**148,667**	**(62,567)**

DEFERRED TAX ASSET (LIABILITY)	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS	EMPLOYEE ENTITL-EMENTS	OTHER PROVISIONS	TAX LOSSES	TOTAL
Balance at 30 June 2015	**(66,689)**	**(7,499)**	**120,536**	**8,558**	**0**	**54,906**
Charged to surplus or deficit	(13,574)	2,737	26,943	358	46,103	62,567
Charged to other comprehensive income	0	0	0	0	0	0
Balance at 30 June 2016	**(80,263)**	**(4,762)**	**147,479**	**8,916**	**46,103**	**117,473**
Charged to surplus or deficit	(16,163)	1,472	52,748	1,543	(46,103)	(6,503)
Charged comprehensive income	0	0	0	0	0	0
Balance at 30 June 2017	**(96,426)**	**(3,290)**	**200,227**	**10,459**	**0**	**110,970**

It is expected that WREDA's taxable income for the current year will be eliminated by tax losses transferred from WCC. No provision has been made for any payment in relation to the expected loss transfer.

10. PROPERTY, PLANT AND EQUIPMENT

	GROUP			
	FURNITURE AND EQUIPMENT	PROPERTY IMPROVEMENT	COMPUTER HARDWARE	TOTAL
Cost At 30 June 2016	**254,079**	**28,157**	**165,746**	**447,982**
Additions	142,466	2,516	41,936	186,918
Disposals	(69,467)		(25,668)	(95,134)
At 30 June 2017	**327,078**	**30,673**	**182,015**	**539,766**
Depreciation At 30 June 2016	**51,397**	**13,812**	**101,645**	**166,854**
Depreciation for the period	59,521	5,108	54,888	119,517
Disposals	(65,317)		(25,688)	(90,985)
At 30 June 2017	**45,601**	**18,920**	**130,865**	**195,386**
Net book value At 30 June 2017	**281,477**	**11,753**	**51,150**	**344,380**
As at 30 June 2016	202,682	14,345	64,101	281,128

51.

11. INTANGIBLE ASSETS – SOFTWARE/WEBSITE

	GROUP	
	2017	2016
Cost - Opening	41,995	41,995
Additions	9,559	-
Cost - Closing	**51,554**	**41,995**
Amortisation - Opening	24,988	8,649
Amortisation for the period	14,817	16,339
Amortisation - Closing	**39,805**	**24,988**
Net Book Value 30 June 2017	**11,749**	**17,007**

12. INVESTMENT IN INCUBATOR AND ACCELERATOR COMPANIES

	GROUP	
	2017	2016
Opening balance	**1,427,407**	**1,400,992**
Additions	95,000	64,925
Impairments to investment	(41,890)	(18,000)
Sale of Incubator investment	(121,640)	-
Movement in fair value of accelerator and incubator companies for period	54,300	(20,510)
TOTAL INVESTMENT IN INCUBATOR AND ACCELERATOR COMPANIES	1,413,177	1,427,407

Creative HQ invests in unlisted early-stage companies. Unlisted investments are generally not publicly traded. As there may be no open market to establish an independent value for certain unlisted investments, there can be no assurance that a determination for fair value for an unlisted investment will be obtainable in the market, or that there will be a market for the unlisted investment.

The accounting policy is to recognise such investments both initially and subsequently at fair value following accounting standards. This will be based on the CHQ directors' assessment of fair value using the approach set out in note 2.2.

In CHQ's accounts full year movement in the investments for the year ended 30 June 2017 is $(14,230) and the opening balance of its investments at 1 July 2017 was $1,427,407. At year end, the fair value of its investments has been determined at $1,413,177. Notwithstanding the uncertainty of the valuation of the investment, the CHQ Board is of the view that the fair values of unlisted investments in these financial statements represent the best available information and the WREDA Board has accepted this view.

CHQ's exposure to changes in investment value could be material to the financial statements. As CHQ is not reliant on the cash flows from the investments, changes in value do not impact the underlying viability of CHQ or the Group. The CHQ Board reviews regular reports from the companies.

In the event that an investment will be considered to be impaired, it will have a non-cash effect on the surplus /(deficit) of CHQ and Group.

13. TRADE AND OTHER RECEIVABLES

	GROUP	
	2017	2016
Trade receivables	1,238,941	585,423
Management fee receivable	680,392	544,611
Income tax receivable	-	19,909
Sundry receivables	337,720	18,161
RECEIVABLES	**2,257,053**	**1,168,104**

Receivables are non-interest bearing and are generally on terms of 30 days. Toward the end of 2017 both the parent and subsidiary had an increase of work undertaken for fee over the previous financial year and this has increased the trade receivables held at year end. There is no provision for overdue debt needed.

Non-exchange transactions
All receivables are derived from non-exchange transactions.

14. OTHER FINANCIAL ASSETS

	GROUP	
	2017	2016
Loan	75,000	75,000
Partial repayment	(15,000)	-
Less provision for impairment	(18,651)	(23,774)
TOTAL OTHER FINANCIAL ASSETS	41,349	51,226

At 30 June 2017 a loan provided to the Wellington Culinary Events Trust (WCET) with an initial value of $75,000 was recorded at its current fair value of $41,349 (2016:$51,226). This loan was drawn down in May 2015. During 2017 WCET repaid $15,000 of the loan. An initial impairment in 2015 of $28,431 has been written back to $18,651 in 2017. This write back of impairment was taken to the Statement of Comprehensive Revenue & Expense by the Parent. The loan is repayable in 5 years from drawdown or on demand with 60 days written notice and no interest is charged. Its fair value shall be revisited yearly and adjusted if necessary. The Board and the WCET have an expectation that the full loan of $75,000 shall be repaid.

15. CASH AND CASH EQUIVALENTS

	GROUP	
	2017	2016
Cash at bank and on hand	1,706,958	1,958,494
TOTAL CASH AND CASH EQUIVALENTS	1,706,958	1,958,494

16. EMPLOYEE ENTITLEMENTS

	GROUP	
	2017	2016
Annual leave	591,513	528,884
Accrued salaries and wages	489,786	317,723
TOTAL EMPLOYEE ENTITLEMENTS	1,081,299	846,607

No accruals are made for sick leave as the probability of any requirement cannot be accurately recorded.

17. TRADE PAYABLES

	GROUP	
	2017	2016
TOTAL TRADE PAYABLES	1,421,214	1,009,204

Trade payables are non-interest bearing and are normally settled on 20th of the month following terms. All payables are current.

18. SUNDRY CREDITORS AND ACCRUALS

	GROUP	
	2017	2016
Expense accruals	547,180	436,565
Audit fee accrual	48,333	16,655
ACC payable	37,352	31,844
Other payables	157,787	60,112
TOTAL SUNDRY CREDITORS AND ACCRUALS	790,652	545,186

19. TAXES AND KIWISAVER PAYABLE

	GROUP	
	2017	2016
GST payable	7,379	87,165
FBT payable	-	1,013
PAYE and Kiwisaver payable	9,025	77,095
Income tax Payable	108,091	16,767
TOTAL TAXES AND KIWISAVER PAYABLE	**124,495**	**182,040**

During the period, the remaining operating unit that was not utilizing a payroll intermediary combined its payroll with a unit that was, therefore PAYE is now paid at time of salary and wage payment via this intermediary.

20. OPERATING LEASES

OPERATING LEASES AS LESSEE

The Group lease buildings, plant and equipment in the normal course of its business. Future minimum lease payments payable under non-cancellable operating leases are as follows:

	GROUP	
	2017	2016
No later than one year	476,977	545,621
Later than one year but not later than five years	1,160,148	424,589
Later than five years	187,527	-
TOTAL NON-CANCELLABLE OPERATING LEASES	**1,824,652**	**970,210**

During 2017, the parent had two office leases that expired. The parent then entered into a long-term lease for one combined office for the expiring leases.

OPERATING LEASES AS LESSOR

The Group has entered into a commercial property sub-lease on a surplus building. This non-cancellable lease has a remaining term of 5 months, with one right of renewal of 12 months.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2017 and 2016 are, as follows:

	GROUP	
	2017	2016
No later than one year	19,583	47,000
Later than one year but not later than five years	0	19,583
TOTAL NON-CANCELLABLE OPERATING LEASES	**19,583**	**66,583**

21. CONTINGENT LIABILITIES & GUARANTEES

At 30 June 2017, the Group and Parent had no contingent liabilities and had not entered into any guarantees.

22. RELATED PARTY TRANSACTIONS

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favorable than those that is reasonable to expect the Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Group and the Group's shareholders (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

There are no required related party disclosures but WREDA makes the following disclosures in relation to key management personnel.

DIRECTORS

Prior to the commencement of a Chief Executive in September 2015, the Chairman of WREDA, Peter Biggs, had been performing the role of Executive

Chair. Wellington City Council remunerated Peter Biggs for undertaking this work.

On 21 September 2015, Peter Biggs took up a role as Chief Executive of Assignment Group Limited, a supplier to WREDA. From that time onwards WREDA has not accepted any new contracts for services from the Assignment Group. All previous transactions with the Assignment Group have been at arm's length.

Director Thomas Pippos is the National Chief Executive of Deloitte. During 2016, but not 2017 WREDA, the parent, purchased tax advice services from Deloitte New Zealand at arm's length. During the year Deloitte also provided accountancy services to WREDA's subsidiary Creative HQ Ltd (of which Thomas Pippos is not a director) at no charge. Creative HQ Ltd also received professional legal services from Chapman Tripp at no charge and electricity from Citylink at no charge.

Brett Holland, who was a CHQ Board director at the beginning of the 2016 financial year, performed consultancy work at CHQ during 2017 and 2016 and was paid at arm's length for these services. During August 2015, Brett accepted a salaried position with CHQ and resigned as a director.

SUBVENTION PAYMENT AND GROUP LOSS EFFECT

WREDA is to make a subvention payment to Wellington City Council of $163,631 in return for losses of $348,765. In the 2016 year, WREDA accrued a subvention payment of $99,950 for $257,015 of losses.

23. DIRECTORS' FEES

The total value of remuneration paid or payable to each Board Member during the year was:

PARENT WREDA LIMITED		2017	2016
Peter Biggs (Chairman)		50,000	50,000
Helen Anderson	(ceased 31 March 2017)	18,750	25,000
Matthew Clarke		25,000	25,000
Sarah Wickens	(ceased 31 March 2017)	8,333	25,000
William (Grant) Guilford		25,000	25,000
Richard Laverty		25,000	25,000
Thomas Pippos		25,000	25,000
Lorraine Witten		25,000	25,000
Paul Mersi	(ceased 31 December 2016)	12,500	25,000
David Gibson	(appointed on 1 Nov 2015)	25,000	14,583
TOTAL WREDA DIRECTORS' FEES		239,583	264,583

SUBSIDIARY CREATIVE HQ LIMITED		2017	2016
Barry Brook (Chairman)		16,000	4,000
Christopher Whelan	(ceased on 26 August 2016)	-	-
Victoria Crone	(ceased on 1 March 2017)	2,667	4,000
Susan Reynolds		11,200	4,000
Richard Laverty	(appointed 9 August 2016)	5,000	-
Brett Holland	(ceased on 21 Aug 2015)	-	1,000
TOTAL SUBSIDIARY DIRECTORS' FEES		34,867	13,000
TOTAL DIRECTORS' FEES		274,450	277,583

24. REMUNERATION

Total remuneration includes any non-financial benefits provided to employees.

The Group employed 131 (2016: 166) full time equivalent employees. The Group also employs a similar number of casual employees in it's Venues Wellington division.

SEVERANCE PAYMENTS

During the year the Parent has made termination payments totaling $121,665 (2016: $165,137), as a result mainly of the disestablishment of duplicated roles during amalgamation.

KEY MANAGEMENT PERSONNEL

Key management personnel of the Group for 2017 were the Chief Executives of WREDA and Creative HQ Limited and the Senior Leadership Team of WREDA.

Key management personnel of the Group for 2016 were the Chief Executive of WREDA and the Chief Executives of the operating divisions (Positively Wellington Venues, Positively Wellington Tourism, Grow Wellington and Creative HQ Limited) and the directors WREDA Limited and Creative HQ Limited. A senior leadership team joined WREDA during May 2016. Due to the minimal time to embed prior to year end this team was not considered in 2016 to be

key management personnel but is during 2017, as the Chief Executive Positions for the operating divisions, other than Creative HQ Limited were disestablished, in the later part of the 2016 financial year. During the period the parent made termination payments of $73,723 to Key Management Personal.

The total remuneration and the number of individuals, on a full-time equivalent basis, considered key management personnel receiving remuneration are:

	GROUP	
	2017	2016
Key Management Personnel		
Directors remuneration	274,450	264,583
WREDA Limited director full-time equivalents	7	10
Creative HQ director full-time equivalents	3	4
Key Management Personnel	1,606,976	1,321,841
Management full-time equivalents	7	5

Due to the difficulty in determining full-time equivalents for directors, the full-time equivalent figures are the number of directors serving on the boards of WREDA Limited and Creative HQ Limited as at 30 June 2017.

Key management personnel did not receive any remuneration or compensation other than in their capacity as key management personnel (2016: nil).

The Group did not provide any compensation at non-arm's length terms to close family members of key management personnel during the year (2016: nil).

The Group did not provide any loans to key management personnel or their close family members.

SALARY BANDS

The annual remuneration by band for employees as at 30 June:

	NO: OF CURRENT EMPLOYEES GROUP	
	2017	2016
$100,000 - $109,999	1	6
$110,000 - $119,999	7	7
$120,000 - $129,999	4	4
$130,000 - $139,999	4	3
$140,000 - $149,999	1	-
$150,000 - $159,999	1	1
$160,000 - $169,999	2	4
$170,000 - $179,999	2	1
$180,000 - $189,999	2	1
$190,000 - $199,999	-	1
$200,000 - $209,999	1	1
$210,000 - $219,999	2	-
$250,000 - $259,999	-	1
$260,000 - $269,999	-	1
$270,000 - $279,999	-	1
$280,000 - $289,999	1	-
$300,000 -$309,999	-	1
$330,000 - $339,999	1	-
$390,000 - $399,999	-	1

25. EVENTS AFTER THE BALANCE DATE

There has been no significant events after balance date.

57.

26. OPERATING FUNDS

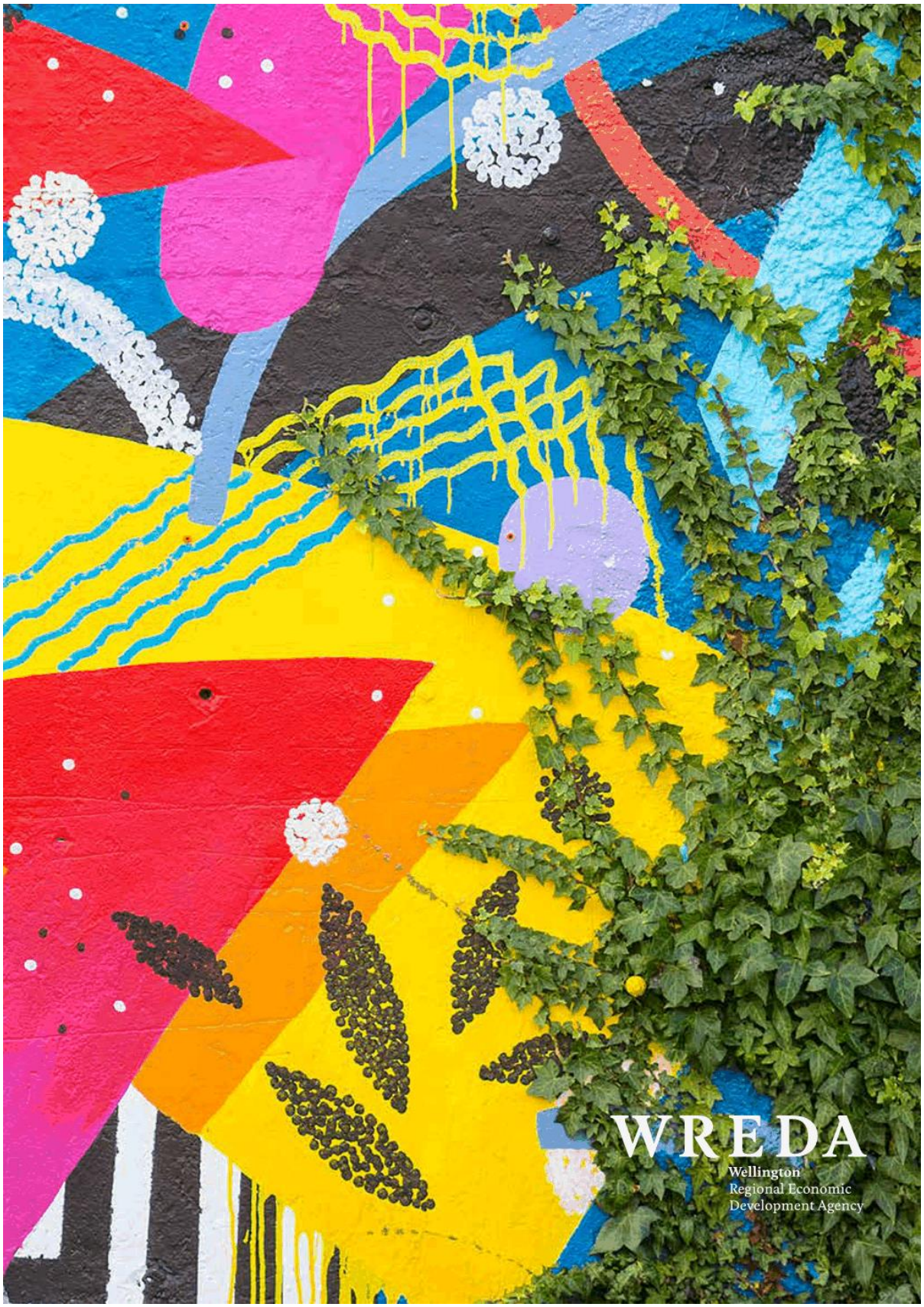
WREDA is reliant for a large part of its revenue from its shareholders, Wellington City Council and Greater Wellington Regional Council (the Councils).

The Councils have accepted the Group's Statements of Intent, which includes funding for the Group and its activities for the next three years.

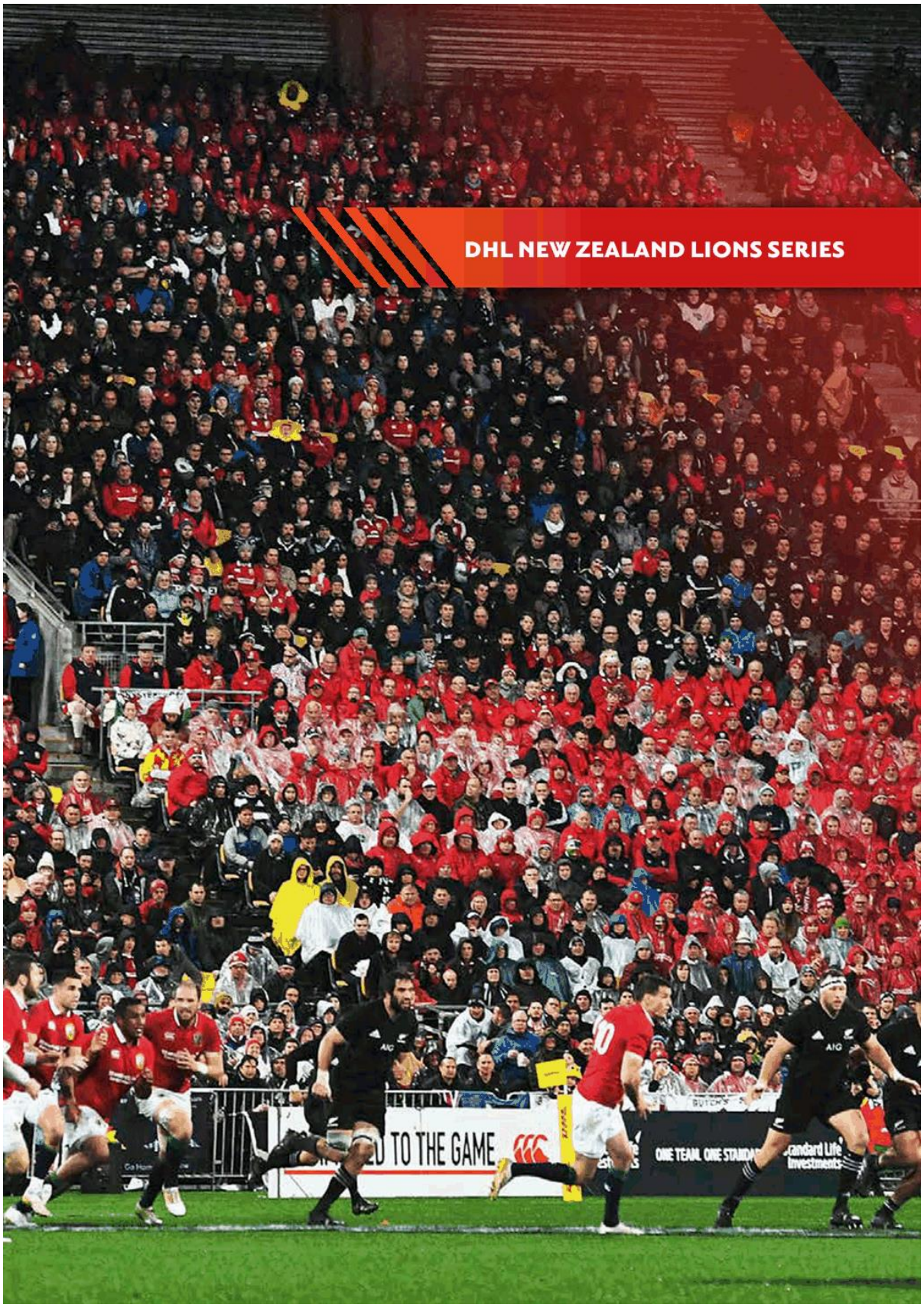
27. COMPANY STRUCTURE

WREDA Limited is owned 20% by Greater Wellington Regional Council and 80% by Wellington City Council. WREDA Limited has a 100% owned subsidiary, Creative HQ Limited.

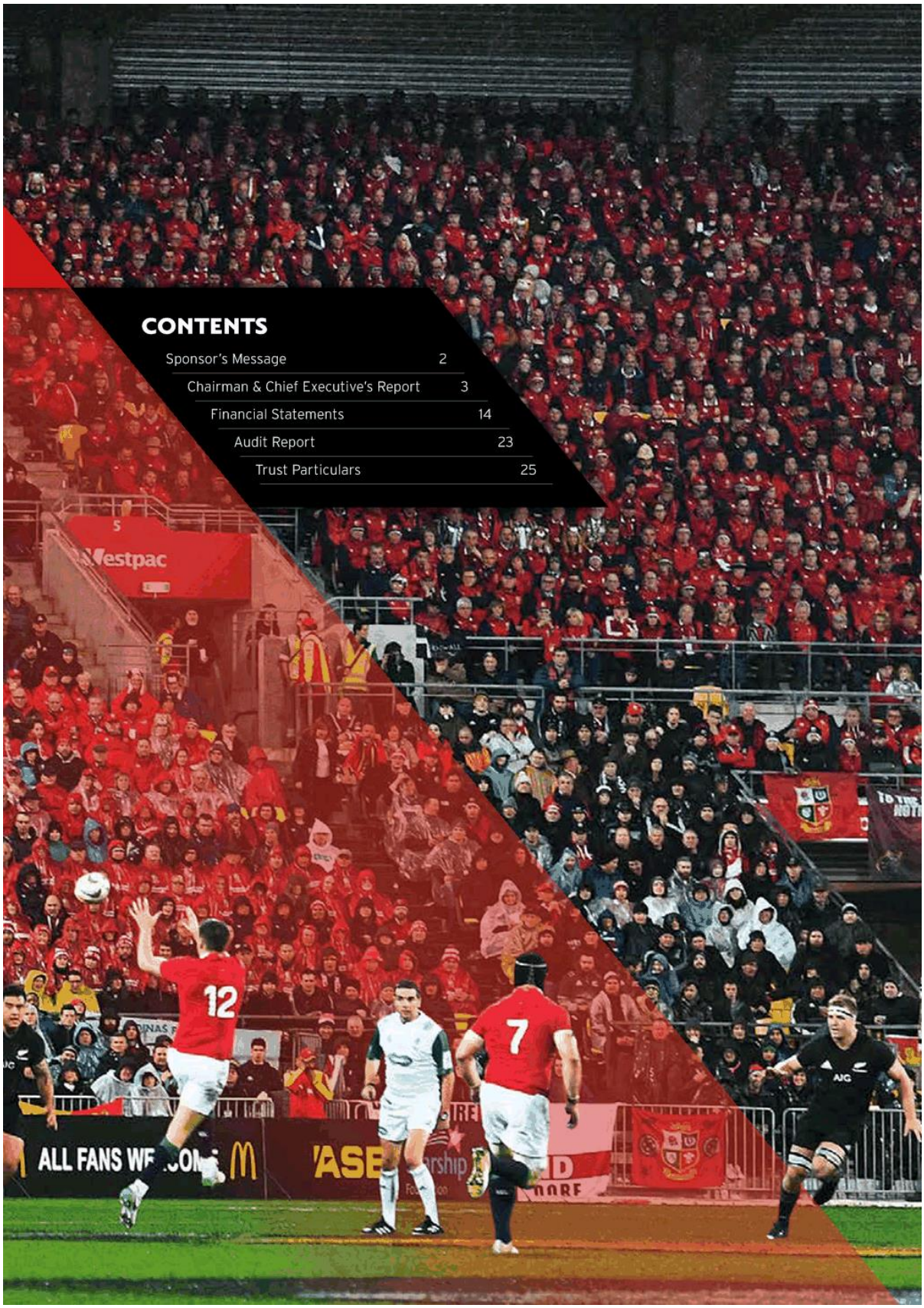
On 29 June 2016 WREDA Limited's subsidiary, Grow Wellington Limited was amalgamated with WREDA and WREDA remained as the continuing entity.


WREDA
Wellington
Regional Economic
Development Agency

Westpac | STADIUM
2017
ANNUAL
REPORT
WELLINGTON
REGIONAL STADIUM
TRUST (INC)


DHL NEW ZEALAND LIONS SERIES
TO THE GAME
ONE TEAM. ONE STADIUM.
Standard Life Investments

Item 2.1 Attachment 6



SPONSOR'S MESSAGE

2017 has been another excellent year for Westpac Stadium.

It hosted 62 events, drew crowds from around New Zealand and delivered a series of high quality sporting and community events.

Westpac is proud of its sponsorship, which continues to deliver large economic, cultural and community benefits for Wellington and New Zealand.

A personal highlight, as a former Wellingtonian, was the Hurricanes winning their first ever Super Rugby title. Other high points included the Guns N Roses concert, a Bledisloe Cup test match and the return of the British and Irish Lions.

We're delighted Westpac Stadium is also being used as an all-purpose venue with exhibitions like Beervana, Armageddon and the Better Home & Living Show making it their home.

High quality events such as these play an important economic role for the regional economy contributing millions of dollars of revenue to local businesses.

Alongside its economic contribution, Westpac Stadium continued to support the community hosting the Wellington Marathon and training days for the Fire Service and the Police Dog Squad.

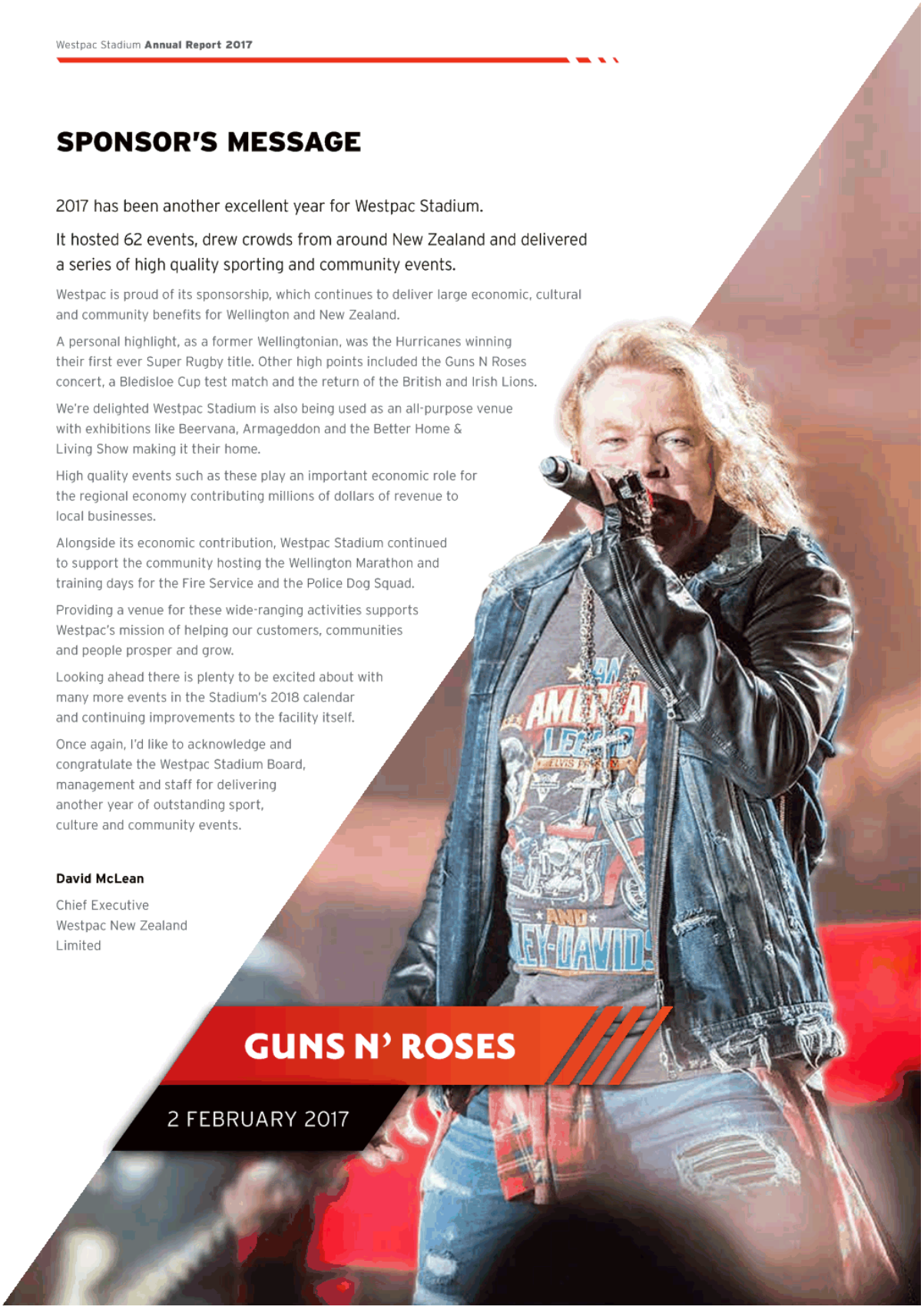
Providing a venue for these wide-ranging activities supports Westpac's mission of helping our customers, communities and people prosper and grow.

Looking ahead there is plenty to be excited about with many more events in the Stadium's 2018 calendar and continuing improvements to the facility itself.

Once again, I'd like to acknowledge and congratulate the Westpac Stadium Board, management and staff for delivering another year of outstanding sport, culture and community events.

David McLean

Chief Executive
Westpac New Zealand Limited



CHAIRMAN & CHIEF EXECUTIVE'S REPORT

In a year that was bookended by the Hurricanes winning the Super Rugby title for the first time and the return of the British & Irish Lions, Westpac Stadium once again cemented its position as New Zealand's most utilised and well-attended stadium.

Some highlights of the year:

- Hosting the Super Rugby final for the second year in a row
- The Hurricanes winning their first ever Super Rugby title
- Concerts featuring Guns N' Roses and Keith Urban & Carrie Underwood
- A sell-out test match between the All Blacks and Wallabies
- Welcoming back the All Whites to Westpac Stadium
- The return of the British & Irish Lions with two full houses in the space of five days

This was another year of big events and great attendances.

We started the financial year with three Super Rugby final matches, as the Hurricanes treated us to one of the great nights in the Stadium's history, prevailing over the Lions in front of an ecstatic home crowd.

We were delighted to follow up on the success of Elton John and AC/DC from the prior year with two more concerts; Guns N' Roses and Keith Urban & Carrie Underwood.

Looking ahead, we have a full calendar of exciting events secured for the next year including two test matches, three Blackcaps fixtures, a Rugby League World Cup quarter-final and the FIFA Intercontinental play-off should the All Whites win the Oceania qualifier.

We were pleased to commence and complete some major capital projects aimed at improving the hirer and patron experience.

The replacement of the Stadium turf was successfully completed in December. Feedback from players and hirers has been very positive.

The first stage of the connected venue project was also largely completed and successfully tested during the British & Irish Lions matches. Free high-density Wi-Fi is now available to all patrons throughout the Stadium.

The Kaikoura earthquake in November caused considerable challenges for Wellington businesses including the Stadium, however despite incurring significant expenses in repairs we were pleased with the performance of the building and were able to reopen three weeks later for the Keith Urban & Carrie Underwood concert.

Soon we will commence the upgrade of the internal concourse. The primary aim of the concourse upgrade is to deliver a warmer, more welcoming environment for fans at all events, including exhibitions.

We thank the Board of Trustees for their ongoing support and our staff for their continual hard work and dedication year after year. Thanks also to our hirers for hosting their events at Westpac Stadium, and to all those who contribute to the success of both the events and the Stadium through their attendance.

Finally we thank Westpac, our naming rights partner for 18 years. The partnership has been one of the longest in the New Zealand sporting landscape.

AIG
ALL BLACKS
27 AUGUST 2016
AUSTRALIA

EVENTS

HURRICANES 2016/17		
v Blues (2016)	WIN	37-27
v Sharks (quarter-final)	WIN	41-0
v Chiefs (semi-final)	WIN	25-9
v Lions (final)	WIN	20-3
v Rebels (2017)	WIN	71-6
v Highlanders	WIN	41-15
v Waratahs	WIN	38-28
v Stormers	WIN	41-22
v Cheetahs	WIN	61-7
v Chiefs	LOSS	14-17

SUPER RUGBY SEMI-FINAL HURRICANES V CHIEFS
30 July 2016

MITRE 10 CUP: WELLINGTON LIONS V NORTH HARBOUR
3 September 2016

Westpac Stadium hosted a total of 62 major event days for the year, plus a number of community event days. Over 480,000 fans attended events during the 12 months, with the cumulative attendance since opening now at 9.3 million.

RUGBY

SUPER RUGBY

We kicked off the financial year with three Super Rugby finals, with the Hurricanes beating the Sharks, the Chiefs and the Lions on their way to winning their first ever Super Rugby title. Despite poor weather conditions, a passionate crowd of 34,014 fans spurred the team onto victory.

The year saw a healthy increase in Hurricanes memberships and solid crowds throughout the season. Westpac Stadium hosted a total of ten home games.

Congratulations to Chair Brian Roche, CEO Avan Lee and coaches Chris Boyd and John Plumtree, the players, the Hurricanes Board and owners, management and staff on an exceptional year.

WELLINGTON SEVENS

We bade farewell to the Wellington Sevens. A disappointing cummulative crowd of 17,789 attended the 2017 event. Despite the changes introduced by the stakeholders over the last four years, the required increases in attendance did not occur. The Trust supported the joint decision by New Zealand Rugby and Wellington City Council to end the agreement. The issues surrounding the Sevens have been well socialised, and we wish Hamilton every success in resurrecting the event.

MITRE 10 CUP

Despite mixed results at home during 2016, the Wellington Lions advanced to the Championship semi-final where they faced Waikato at Westpac Stadium for a place in the final but missed out by the narrowest of margins, going down 28-24.

WELLINGTON LIONS 2016		
v Bay of Plenty	WIN	24-10
v North Harbour	WIN	21-17
v North Harbour	LOSS	37-40
v Southland	WIN	60-21
v Taranaki	LOSS	31-54
v Waikato (semi-final)	LOSS	24-28

EVENTS

ALL BLACKS V AUSTRALIA

We were delighted to hold four major international rugby matches over two years at Westpac Stadium across two seasons. Following the sell-out Wales test at the end of the last financial year, the Stadium played host to the Wallabies in the Rugby Championship in front of another full house of 35,215 with the All Blacks prevailing 29-9, retaining the Bledisloe Cup for the 14th successive year.

HURRICANES V BRITISH & IRISH LIONS

The financial year ended with the first of the two British & Irish Lions fixtures in Wellington. Westpac Stadium worked closely with Wellington Rugby and WREDA to secure back to back games which saw up to 30,000 fans descend on the capital for a week.

The Hurricanes and the British & Irish Lions battled it out to produce an epic 31-31 draw in front of a 37,121 capacity crowd of committed fans who generated an incredible atmosphere. On a night that displayed a bit of everything on and off the pitch, the reigning Super Rugby champion Hurricanes showed their character to battle back from 23-7 down at half time to force a draw.

FOOTBALL

WELLINGTON PHOENIX

The Wellington Phoenix had a challenging 2016/17 season finishing a disappointing seventh on the A-League table winning eight games including four at Westpac Stadium.

We bade farewell to Wellington Phoenix coach Ernie Merrick and in June we welcomed new coach Darije Kalezić and assistant Rado Vidošić.

ALL WHITES

In March, we welcomed back the New Zealand national men's football team, the All Whites, to Wellington for the first time since 2013 for a 2018 FIFA World Cup Russia Qualifier against Fiji. 8,332 fans saw the All Whites defeat the Fijians 2-0. This was hopefully the appetiser for the Intercontinental play-off in November which Westpac Stadium will once again host should the All Whites win their final Oceania play-off series in September.

CRICKET

We hosted just the one Blackcaps game in the 2016/17 summer when the Blackcaps took on South Africa. Chasing 272, New Zealand were bowled out for just 112 in 32.2 overs, much to the disappointment of the expectant Westpac Stadium crowd of 16,145.

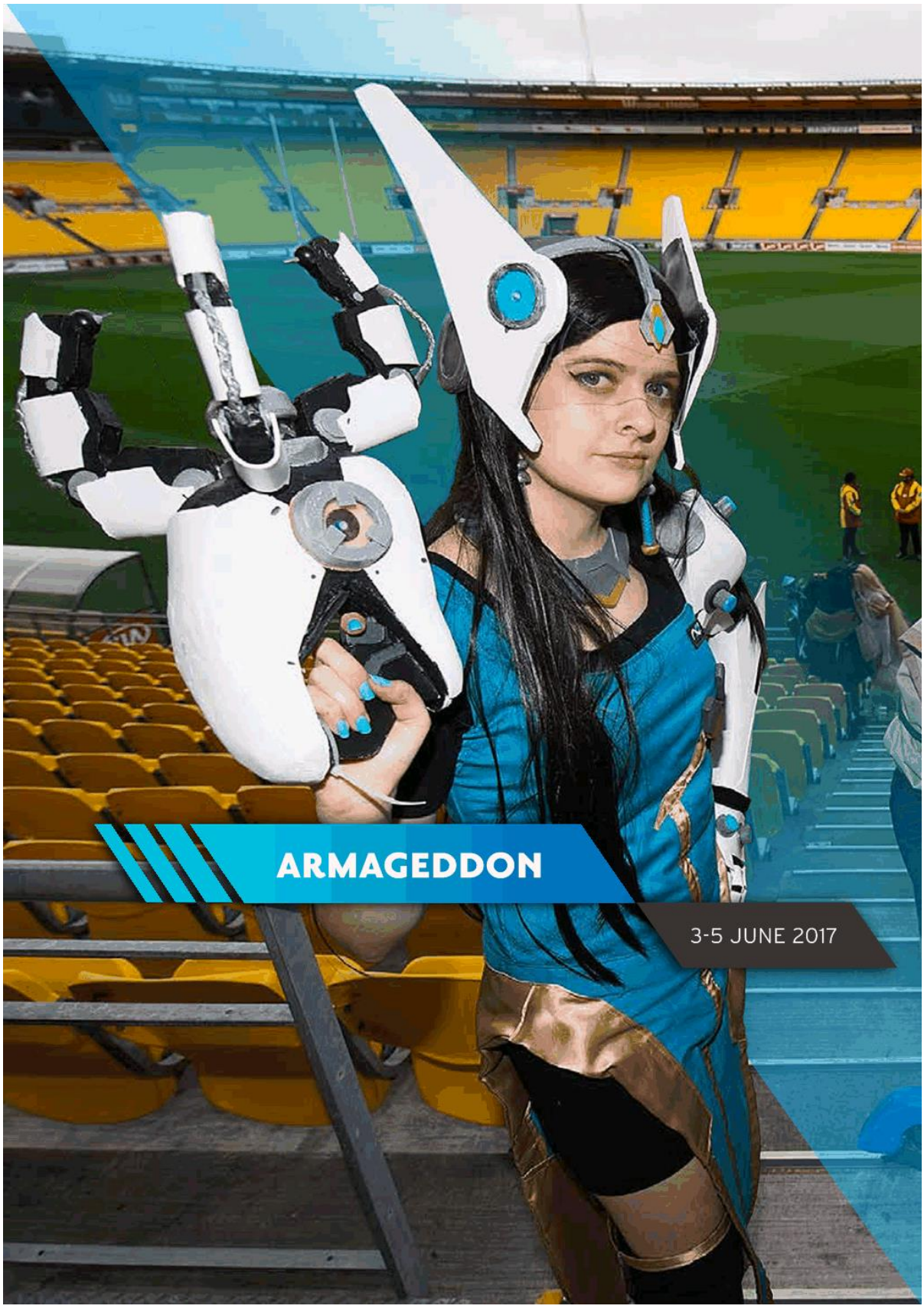
In March we hosted a Plunket Shield match between Wellington and Otago. This game ushered in a new era in domestic cricket, with this round of the Plunket Shield being played under lights. The pink ball trials at venues across New Zealand are precursors for potential day-night test matches in the future.

We look forward to a strong international cricket calendar in the upcoming summer.

WELLINGTON PHOENIX FC 2016/17		
v Melbourne City FC	LOSS	0-1
v Sydney FC	LOSS	0-1
v Newcastle Jets	WIN	2-0
v Adelaide United	DRAW	0-0
v Central Coast Mariners	WIN	1-0
v Melbourne Victory	WIN	3-0
v Brisbane Roar	LOSS	0-1
v Melbourne City FC	LOSS	1-5
v Newcastle Jets	WIN	5-0
v Sydney FC	DRAW	1-1

PHOENIX FC V MELBOURNE CITY FC
18 February 2017

BLACK CAPS V SOUTH AFRICA
25 February 2016


ARMAGEDDON
3-5 JUNE 2017

2 FEBRUARY 2017
GUNS N' ROSES

EVENTS

KEITH URBAN & CARRIE UNDERWOOD
3 December 2016

FOOD SHOW
26-28 May 2017

BEERVANA
12-13 August 2016

CONCERTS

KEITH URBAN & CARRIE UNDERWOOD

We were very pleased to host multi-Grammy and ARIA Award-winning artist Keith Urban to Westpac Stadium for his only New Zealand performance as part of his ripCORD World Tour. The tour also featured New Zealand country/pop duo Mae Valley and seven-time Grammy Award-winning, multi-platinum superstar Carrie Underwood. This was an electrifying show, featuring world-class production with a set list jammed full of Keith Urban and Carrie Underwood's biggest hits.

GUNS N' ROSES

Guns N' Roses founding members Axl Rose, Slash and Duff McKagan regrouped for the 'Not In This Lifetime' mammoth stadium tour and we were very privileged to host them in Wellington. Despite very challenging weather conditions, the band delivered an electric set in front of 31,634 devoted fans.

EXHIBITIONS

We hosted a total of 14 exhibition days. These events continue to enhance Westpac Stadium's reputation as a multi-purpose venue and as a convenient location for large scale exhibitions. Armageddon, Beervana, Better Home & Living Show, the Food Show, and the Home & Garden Show were all well attended and provide an enormous variety of content for Wellingtonians.

We also hosted eight days of sale type events covering spa pools, travel and clothing.

COMMUNITY EVENTS

The Trust is proud to be able to give back to the regional community through making the Stadium available for several community events each year.

In November we were delighted to host *Shakespeare and Henry Live* at the Stadium. The ninety minute version of Henry V was performed by approximately 250 primary school age students, from eight primary schools and a home school group, to an audience of schools and other interested people.

Once again we hosted the very popular Wellington Marathon event and the Sport Wellington Junior Sports Day. Throughout the year we provided the venue to the Police Dog Squad and Fire Service for a number of training exercises.

EVENTS HELD DURING THE YEAR

DATE	EVENT	ATTENDANCE
2 July 2016	Super Rugby: **Hurricanes v Blues**	14,553
23 July 2016	Super Rugby Quarter-final: **Hurricanes v Sharks**	17,685
30 July 2016	Super Rugby Semi-final: **Hurricanes v Chiefs**	24,623
6 August 2016	Super Rugby Final: **Hurricanes v Lions**	34,014
12-13 August 2016	Exhibition: **Beervana**	10,762
27 August 2016	Rugby Test: **All Blacks v Australia**	35,215
3 September 2016	Mitre 10 Cup: **Wellington Lions v North Harbour**	3,696
11 September 2016	**Flight Centre Travel Show**	
16 September 2016	Mitre 10 Cup: **Wellington Lions v Bay of Plenty**	1,713
23-25 September 2016	Exhibition: **Home & Garden Show**	14,500
30 September 2016	Mitre 10 Cup: **Wellington Lions v Southland**	2,243
8 October 2016	A-League: **Phoenix FC v Melbourne City FC**	9,749
9 October 2016	Mitre 10 Cup: **Wellington Lions v Taranaki**	3,150
15 October 2016	Mitre 10 Cup: **Wellington Lions v Waikato**	1,980
22 October 2016	Mitre 10 Cup: **Wellington Lions v North Harbour**	2,528
23 October 2016	A-League: **Phoenix FC v Sydney FC**	7,113
5 November 2016	A-League: **Phoenix FC v Newcastle Jets**	4,802
3 December 2016	Concert: **Keith Urban & Carrie Underwood**	9,397
1 January 2017	A-League: **Phoenix FC v Adelaide United**	3,541
14 January 2017	A-League: **Phoenix FC v Central Coast Mariners**	5,035
17 January 2017	A-League: **Phoenix FC v Melbourne Victory**	4,867
21 January 2017	A-League: **Phoenix FC v Brisbane Roar**	5,455
28-29 January 2017	**Rugby Sevens Tournament**	17,789
2 February 2017	Concert: **Guns N'Roses**	31,634
14 February 2017	Football: **Phoenix FC v Beijing BG**	2,613
18 February 2017	A-League: **Phoenix FC v Melbourne City FC**	4,680
25 February 2017	Cricket ODI: **Black Caps v South Africa**	16,145
4 March 2017	Super Rugby: **Hurricanes v Rebels**	13,645
6-9 March 2017	Cricket: **Plunket Shield Wellington v Otago**	220
10-12 March 2017	**Great New Zealand Spa Pool Expo**	
18 March 2017	Super Rugby: **Hurricanes v Highlanders**	17,185
26 March 2017	A-League: **Phoenix FC v Newcastle Jets**	2,774
28 March 2017	Football: **All Whites v Fiji**	8,332
7 April 2017	Super Rugby: **Hurricanes v Waratahs**	14,045
8 April 2017	A-League: **Phoenix FC v Sydney FC**	5,577
24 April 2017	AFL: **NZ Hawks v NAB AFL Academy**	450
27-30 April 2017	**Last Season Sale**	
5 May 2017	Super Rugby: **Hurricanes v Stormers**	16,140
12-14 May 2017	Exhibition: **Better Home & Living Show**	10,400
20 May 2017	Super Rugby: **Hurricanes v Cheetahs**	11,383
26-28 May 2017	Exhibition: **Food Show**	14,302
3-5 June 2017	Exhibition: **Armageddon**	16,065
9 June 2017	Super Rugby: **Hurricanes v Chiefs**	23,292
27 June 2017	NZ Lions Series: **Hurricanes v British & Irish Lions**	37,121
TOTAL ATTENDANCE		**480,413**

HURRICANES V BRITISH & IRISH LIONS
27 June 2017

PHOENIX FC V MELBOURNE FC
8 October 2016

ALL WHITES V FIJI
28 March 2017

FINANCIAL PERFORMANCE

Our net surplus for the year was $1.70 million compared to $2.08 million in 2016, and ahead of our budgeted surplus of $1.38 million. Event revenues were $6.9m compared to $8.6m in the previous year and a budget of $5.4m.

The increase over budget is partly due to the unbudgeted Super Rugby final matches in 2016 as well as other events achieving better than expected results. On the downside the Trust incurred considerable expense due to repairs required post the Kaikoura earthquake.

At 30 June 2017, bank borrowings are $4.3m.

MASTER PLAN PROGRESS

Three major capital projects were the subject of rollout or significant preparatory work in the 2016/17 year.

TURF REPLACEMENT

The original stadium surface was natural ryegrass which over time had developed a significant Poa Annua population along with high organic matter content which made management of the surface increasingly challenging. The Stadium had not previously had any technology in terms of pitch stabilisation or reinforcement. This, combined with an ever-increasing events strategy and the need for the Stadium to be a multi-functional events space for sports and non-sports events, meant it needed a new reinforced turf system.

This project commenced on 5 December 2016 with the existing surface stripped and disposed of over a five day period. Running concurrently with this was the construction of a new synthetic ring road around the perimeter of the playing surface, with the base construction taking seven days. An approved synthetic turf system and performance infill was then installed over the following three days.

Installation of the Eclipse Stabilised Turf started on 15 December and finished ahead of schedule on 21 December ready for the Wellington Phoenix v Adelaide United match on New Year's Day.

We thank HG Turf and its contractors for their efforts on this project. We also thank the Stadium Turf team led by Hagen Faith for the continually high calibre of surfaces they produce at both Westpac Stadium and the Basin Reserve.

We were particularly pleased and proud when Professional Footballers Australia named Westpac Stadium as the best playing surface in the A-League competition.

CONNECTED STADIUM

During the year Westpac Stadium underwent a major stadium-wide technology upgrade that saw the rollout of high density Wi-Fi and IPTV deployed throughout the entire venue.

The upgrade involved laying 24km of new cabling, along with the installation of around 300 access points. The entire seating area is covered by 350 directional antennas, allowing around 20,000 people to connect to the WiFi concurrently, supported by a 20 Gb/second fibre backbone running around the Stadium.

We thank the teams at Spark New Zealand, Huawei Technologies, Eyemagnet and PMY Group for helping bring this project to fruition.

CONCOURSE UPGRADE

The Trust is working with its architect, Populous, and Project Manager, RCP, on detailed designs for an upgrade of the internal concourse. The primary aim of the concourse upgrade is to deliver a warmer, more welcoming environment for fans at all events, including exhibitions.

Specifically, the upgrade will seek to deliver a consistent look and feel for the concourse that better reflects the Wellington region, the local community and sporting achievements. This will include more natural lighting, improved food and beverage facilities and upgraded flooring.

This work will commence in the first half of the upcoming financial year.

BASIN RESERVE

The Trust's turf team also provides turf management services to the Basin Reserve Trust.

2017 was once again a busy year at the Basin Reserve, hosting test matches against South Africa and Bangladesh.

The ground hosted:

Cricket match days	55
Cricket practice days	91
Senior Club Rugby matches	8
Junior Club Rugby days	6
Other events	5
Total	**165**

MEMBERSHIPS AND CORPORATE BOXES

The Stadium Members Club remains an active and passionate supporter group as does our Corporate Boxholder group and we thank both for their ongoing support of the Stadium.

Our Annual Members' Function in October was again well attended and included an entertaining panel of guest speakers - Andy Leslie, Joe Stanley and Nehe Milner-Skudder hosted by sports journalist Jason Pine, examining "The Evolution of Rugby" in New Zealand.

KEY SPONSOR

Our relationship with our naming rights partner Westpac continues to strengthen. The Trust enjoys the opportunity to work with the Westpac team throughout the year.

We remain very appreciative for the ongoing support from the Board of Westpac, Chief Executive Officer David McLean and the wider Westpac team in what is one of New Zealand's longest commercial sporting partnerships.

HURRICANES V CHEETAHS
20 May 2017

FOOD SHOW
26-28 May 2017

BLACK CAPS V SOUTH AFRICA
25 February 2017

RUGBY SEVENS TOURNAMENT
28-29 January 2017

KEITH URBAN & CARRIE UNDERWOOD
3 December 2016

HURRICANES FANS

ACKNOWLEDGEMENTS

Westpac Stadium is proud of its position as an iconic venue for the Wellington Region. The diverse range of events that we provide each year is possible thanks to the support of our key stakeholders, the Wellington City Council and Greater Wellington Regional Council as well as the Wellington Regional Economic Development Agency (WREDA).

We are able to achieve such a diverse and successful calendar of events only with the support of our clients. We are most appreciative and thank the following:

- Hurricanes Rugby
- Wellington Rugby Union
- New Zealand Rugby
- Wellington Phoenix Football Club
- New Zealand Football
- Cricket Wellington
- New Zealand Cricket
- AFL New Zealand
- Armageddon
- Jade Promotions
- North Port Events
- Wellington Culinary Events Trust
- TEG Dainty & TEG Live

Thank you also to our dedicated staff, led by the senior management team of Linda Rieper, Katherine Andersen, Brian Stirton, Clare Elcome and Mathew Hellyer.

The team is supported by a number of key suppliers and contractors all of whom go above and beyond in their provisions, often with short notice. We thank you all for your professionalism and support.

Finally we offer our sincere thanks to the fans who support all of our events throughout the year. We hope that you have enjoyed your various experiences here at Westpac Stadium over the past twelve months and we look forward to welcoming you back again soon.

John Shewan
Chairman

Shane Harmon
Chief Executive

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE
FOR THE YEAR ENDED 30 JUNE 2017

	NOTES	2017 $000	2016 $000
Revenues			
Event Revenues		6,869	8,583
Corporate Box, Membership & Sponsorship Revenues		4,507	4,405
Interest income		3	29
Sundry income	1	3,458	2,835
Total Revenue		**14,837**	**15,852**
Less Operating Expenses	**2**	**9,521**	**9,718**
Operating Surplus before Depreciation & Finance costs		**5,316**	**6,134**
Less:			
Depreciation	8	3,425	3,573
Finance costs	3	190	480
Total comprehensive revenue & expense		**1,701**	**2,081**

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF CHANGES IN TRUST FUNDS & LIMITED RECOURSE LOANS
FOR THE YEAR ENDED 30 JUNE 2017

	NOTES	2017 $000	2016 $000
Balance at 1 July		**86,517**	**84,436**
Total comprehensive revenue & expense for the year		1,701	2,081
Balance at 30 June		**88,218**	**86,517**

The accompanying accounting policies and notes form part of these financial statements

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WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	NOTES	2017 $000	2016 $000
TRUST FUNDS			
Accumulated Surplus		47,823	46,122
LIMITED RECOURSE LOANS			
Greater Wellington Regional Council	4	25,000	25,000
Wellington City Council	4	15,395	15,395
Total Trust Funds & Limited Recourse Loans		**88,218**	**86,517**
NON-CURRENT LIABILITIES			
Revenue in Advance		788	1,413
Borrowings	5	4,300	4,000
Total Non-Current Liabilities		**5,088**	**5,413**
CURRENT LIABILITIES			
Revenue in Advance	6	2,896	3,038
Payables	7	1,513	1,458
Total Current Liabilities		**4,409**	**4,496**
TOTAL FUNDING		**97,715**	**96,426**
Represented by:			
NON-CURRENT ASSETS			
Property Plant & Equipment	8	95,233	94,155
Total Non-Current Assets		**95,233**	**94,155**
CURRENT ASSETS			
Cash & Cash Equivalents	9	120	669
Receivables & Prepayments	10	2,362	1,602
Total Current Assets		**2,482**	**2,271**
TOTAL ASSETS		**97,715**	**96,426**

On behalf of the Trustees:

TRUSTEE
23 August 2017

TRUSTEE
23 August 2017

The accompanying accounting policies and notes form part of these financial statements

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 $000	2016 $000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES			
Cash was provided from:			
Event and operating income		6,227	8,909
Corporate box, membership and sponsorship income		3,650	3,702
Interest received		3	29
Sundry income		2,949	2,871
		12,829	**15,511**
Cash was applied to:			
Payments to suppliers and employees		(9,510)	(9,410)
Funds held on behalf of hirer*		-	(3,930)
Interest paid		(235)	(616)
Goods and services tax	16	(1)	(162)
		(9,746)	**(14,118)**
Net cash inflow from operating activities*		**3,083**	**1,393**
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Cash was provided from:			
Grant income		500	-
Disposal of property, plant & equipment		6	15
Cash was applied to:			
Purchase of property, plant & equipment		(4,438)	(1,571)
Net cash (outflow) from investing activities		**(3,932)**	**(1,556)**
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Cash was provided from:			
Loan drawdown		300	-
Cash was applied to:			
Loan repayment		-	(3,500)
Net cash inflow (outflow) from financing activities		**300**	**(3,500)**
NET INCREASE/(DECREASE) IN CASH HELD		(549)	(3,663)
Cash at beginning of the period		669	4,332
CASH AT END OF THE PERIOD	**9**	**120**	**669**

* Excluding funds held on behalf of a hirer, the net cash inflow from operating activities in 2016 would have been $5,323,000.

The accompanying accounting policies and notes form part of these financial statements

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. SUNDRY INCOME

	2017 $000	2016 $000
Carpark income	1,658	1,695
Tenancy income	373	366
Grant income	500	-
Other sundry income	927	774
Total sundry income	**3,458**	**2,835**

Grant income of $500,000 has been received from the Wellington City Council to be used in the upgrade of the Stadium concourse, which will be occurring over the next two to three years.

2. OPERATING EXPENSES

	NOTE	2017 $000	2016 $000
Event operating expenses		3,128	3,945
Maintenance and facility operation		3,445	2,432
Personnel*	12	2,229	2,215
Asset impairment	8	-	397
Loss on disposal of assets		-	8
Audit Fee - annual audit		32	32
Rental expense on operating leases		18	18
Other operating expenses		669	671
Total operating expenses		**9,521**	**9,718**

* Personnel expense includes Kiwisaver employer contributions of $60,000 (2016: $58,000).

3. FINANCE COSTS

	2017 $000	2016 $000
Interest on bank loan	226	572
Interest rate swaps - fair value adjustment	(42)	(98)
Other financing charges	6	6
Total finance costs	**190**	**480**

4. LIMITED RECOURSE LOANS

The development of the stadium was partially funded by the Wellington City Council ($15 million) and the Greater Wellington Regional Council ($25 million). The funding was by way of unsecured limited recourse loans. No interest has been charged on these loans by the Councils.

The Wellington City Council loan includes an amount for accrued interest (face value $394,893) which arose under a membership underwrite agreement. The interest component is not payable until both of the original Council limited recourse loans have been repaid. The underwrite was fully repaid in a previous financial year and no further interest will accrue.

The Trust is required to pay surplus funds to the Wellington City Council and the Greater Wellington Regional Council in reduction of their loans after meeting costs, liabilities, and debt reductions and after allowing for the appropriate capital expenditure and transfers to reserves. No surplus funds are available for repayment in the current year.

To maintain the Stadium asset to a suitable standard will require ongoing investment in the asset. This will be funded either from accumulated earnings or commercial borrowings. The Trust's view is that it will need to maintain a level of commercial borrowing for the foreseeable future. Until the commercial loan is extinguished, the Trust is not required to make any repayments of the settlor loans.

5. BORROWINGS

	2017 $000	2016 $000
Non-Current Borrowings		
Westpac New Zealand Ltd	4,300	4,000

The Westpac borrowing is secured by Composite General Security Agreement and a registered first mortgage over the Stadium property.

The following interest rate swap has been entered into, effectively fixing the interest rate at:

	Interest Rate	Expires
$2.5 million	5.88%	October 2018

The balance of the loan is on floating rates of between 3.69% and 3.75% at balance date.

At balance date the loan limit is $10 million, and therefore $5.7 million remains available for drawdown if required. Repayment terms relating to the balance of the loan at 30 June 2020 will be renegotiated at or before that date.

6. REVENUE IN ADVANCE (CURRENT)

This balance represents the portion of funds received from corporate box holders, stadium members and signage and sponsorship agreements that will be recognised as revenue in the next 12 months, as the services deliverable under the contracts are delivered to those clients.

7. PAYABLES

	2017 $000	2016 $000
Trade payables	789	955
Accrued expenses	526	216
Employee entitlements	123	170
Fair value of interest rate swaps	75	117
	1,513	**1,458**

8. PROPERTY PLANT & EQUIPMENT

	1-JUL-15 $000		30-JUN-16 $000	ADDITIONS $000	DISPOSALS & IMPAIRMENT $000	30-JUN-17 $000
Cost						
Land	4,225		4,225			4,225
Pitch	1,217		1,217	2,180		3,397
Stadium Buildings	86,272		86,278			86,278
Fitout	16,544		16,554	326	(149)	16,731
Replay Screen & Production equipment	3,853		3,774	2	(5)	3,771
Fittings	1,650		1,701	45	(5)	1,741
Plant, machinery & equipment	28,163		28,347	943	(434)	28,856
Work in progress	450		1,241	2,088	(1,079) *	2,250
	142,373		**143,336**	**5,584**	**(1,672)**	**147,248**
Depreciation	**1-Jul-15**	**Charge for year**	**30-Jun-16**	**Charge for year**	**Disposals**	**30-Jun-17**
Land	-		-			-
Pitch	(187)	(17)	(204)	(122)		(326)
Stadium Buildings	(23,157)	(1,709)	(24,866)	(1,708)		(26,574)
Fitout	(7,401)	(626)	(8,022)	(437)	148	(8,311)
Replay Screen & Production equipment	(2,487)	(227)	(2,567)	(201)	5	(2,763)
Fittings	(1,274)	(82)	(1,353)	(66)	5	(1,414)
Plant, machinery & equipment	(11,416)	(912)	(12,169)	(891)	433	(12,627)
Work in progress	-		-			-
	(45,922)	**(3,573)**	**(49,181)**	**(3,425)**	**591**	**(52,015)**
Carrying value	**1-Jul-15**		**30-Jun-16**			**30-Jun-17**
Land	4,225		4,225			4,225
Pitch	1,030		1,013			3,071
Stadium Buildings	63,115		61,412			59,704
Fitout	9,143		8,532			8,420
Replay Screen & Production equipment	1,366		1,207			1,008
Fittings	376		348			327
Plant, machinery & equipment	16,747		16,178			16,229
Work in progress	450		1,241			2,250
	96,451		**94,155**			**95,233**

*The majority of this item represents projects that have been completed during the year and transferred into fixed assets.

There is no evidence of impairment in the carrying amount of any other Property Plant and Equipment at balance date.

For details of the security held by Westpac over the stadium land and buildings refer to Note 5.

9. CASH & CASH EQUIVALENTS

	2017 $000	2016 $000
Cash at bank	120	669
	120	**669**

10. RECEIVABLES

	2017 $000	2016 $000
Trade receivables	2,041	1,328
Prepayments	321	274
	2,362	**1,602**

11. FINANCIAL INSTRUMENTS RISK

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Trust uses interest rate swaps to manage the interest rate risk on its borrowings. The interest rates on the Trust's borrowings are disclosed in Note 5. The interest rate swaps are recorded at fair value and classified as held for trading.

CREDIT RISK

Financial instruments which potentially expose the Trust to credit risk consist of bank deposits, short term investments, accounts receivable and interest rate swaps. The Trust invests with high credit quality financial institutions. Accordingly, the Trust does not require any collateral or security to support financial instruments with organisations it deals with. There is no concentration of credit risk with respect to accounts receivable.

CURRENCY RISK

The Trust has no exposure to currency risk.

12. RELATED PARTY TRANSACTIONS

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include the settlors of the Trust, the governing body and key management personnel.

Related party disclosures have not been made for transactions with related parties that are within normal supplier relationships on terms and conditions no more or less favourable than those it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

SETTLORS OF THE TRUST

Wellington City Council

During the period Wellington City Council's representative on the Board of Trustees has been Councillor Simon Marsh. Trustee Fees for Councillor Marsh are paid directly to the Council.

Details of the Advance from the Wellington City Council are given in Note 4.

The Basin Reserve Trust is a Council Controlled Organisation of the Wellington City Council. During the year the Trust received income from the provision of turf management services to the Basin Reserve Trust, of $335,648 (2016: $276,048). The receivables balance outstanding is $90,565 (2016: $84,292).

During the period the Trust also received grant income of $500,000 from the Wellington City Council as detailed in Note 1.

Greater Wellington Regional Council

Councillor David Ogden has been the Greater Wellington Regional Council's representative on the Board of Trustees since October 2016. Prior to that, it was Nigel Wilson. Trustee Fees for the Council representative are paid directly to the Council.

Details of the Advance from the Greater Wellington Regional Council are given in Note 4.

	2017 $000	2016 $000
Key management personnel compensation		
Board members		
Trustee Fees	171	171
Full time equivalents based on number of Trustees	8	8
Management team		
Remuneration	1,073	1,171
Full time equivalent members	6	6

13. COMMITMENTS

The following amounts have been committed to by the Trust, but not recognised in the financial statements:

	2017 $000	2016 $000
Operating leases		
Non cancellable operating lease commitments		
Within one year	17	13
Between one and five years	58	52
More than five years	32	44
	107	**109**
Capital expenditure		
Amounts committed to capital expenditure	**269**	**1,673**

14. CONTINGENCIES

The Trust has no contingent liabilities at 30 June 2017 (2016: Nil).

15. EVENTS AFTER BALANCE DATE

There were no events subsequent to balance date that require adjustment of amounts in the financial statements or additional disclosures.

16. GOODS & SERVICES TAX IN CASH FLOW STATEMENT

In the Statement of Cash Flows, the GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

17. SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY AND PERIOD

Wellington Regional Stadium Trust Incorporated (the Trust) is a charitable trust established by the Wellington City Council ('WCC') and Greater Wellington Regional Council ('GWRC'). The Trust is domiciled in New Zealand.

The Trust is responsible for the planning, development, construction, ownership, operation and maintenance of the Westpac Stadium, Wellington, as a multi-purpose sporting and cultural venue.

The Trust was incorporated under the *Charitable Trust Act 1957*. The Trust is also a charitable entity under the *Charities Act 2005*, registration CC10754.

The financial statements of the Trust are for the year ended 30 June 2017. The financial statements were authorised for issue by the Trustees on 23 August 2017.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Trust Deed which requires compliance with generally accepted accounting practice in New Zealand.

As the primary purpose of the Trust is to provide a community and social benefit, it is a public benefit entity for financial reporting purposes.

The financial statements of the Trust comply with Public Benefit Entity (PBE) standards.

The financial statements have been prepared in accordance with Tier 2 PBE Standards. The Trust meets the requirements for Tier 2 reporting as it does not have public accountability and is not large (as defined by XRB A1).

The financial statements have been prepared on an historical cost basis, except for interest rate swaps.

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (000) unless otherwise stated.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

REVENUE

Revenue is recognised when billed or earned on an accrual basis.

Corporate Box, Memberships & Sponsorship Revenues

Licenses for Corporate boxes are issued for terms of between four and six years. Signage and sponsorship properties are sold for a range of terms of between one and 10 years. The related license fees/revenues are paid annually with the revenue recognised on a straight line basis throughout the year.

Stadium memberships have been sold for terms ranging between two and five years. Payment may be made upfront or in a series of instalments. The payments received are recorded as Revenue in Advance, and recognised on a straight line basis over the term of the membership.

Interest

Interest income is accrued using the effective interest rate method.

Rental income

Rents are recognised on a straight line basis over the term of the lease.

EXPENSES

Expenses are recognised on an accrual basis when the goods or services have been received.

Interest

Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

TAXATION

As a Charitable Trust, the Trust meets requirements for exemption from income tax and accordingly no provision for income tax is recorded in the financial statements.

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive.

FINANCIAL INSTRUMENTS

The Trust classifies its financial assets and financial liabilities according to the purpose for which they were acquired. The Trust determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Non-derivative Financial Instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Trust's contractual rights to the cash flows from the financial assets expire or if the Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets in the ordinary course of business are accounted for at trade date. Financial liabilities are derecognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

Financial Assets

Cash and cash equivalents comprise cash balances and call deposits with up to six months' maturity. These are recorded at their nominal value.

Trade and other receivables are stated at their cost less impairment losses.

Financial Liabilities

Financial liabilities comprise trade and other payables and borrowings, and are all classified as other financial liabilities. Financial liabilities with a duration of more than 12 months are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Amortisation is recognised in the Statement of Comprehensive Revenue & Expense as is any gain or loss when the liability is derecognised.

Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

Derivative Financial Instruments

Derivative financial instruments are recognised at fair value as either assets or liabilities. The Trust does not hold any derivatives that qualify for hedge accounting. Derivatives that do not qualify for hedge accounting are classified as held for trading financial instruments with fair value gains or losses recognised in the Statement of Comprehensive Revenue & Expense. Fair value is determined based on quoted market prices.

EMPLOYEE ENTITLEMENTS

Employee entitlements that the Trust expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These benefits are principally annual leave earned but not yet taken at balance date, and bonus payments.

No provision for sick leave is accrued, as past experience indicates that compensated absences in the current year are not expected to be greater than sick leave entitlements earned in the coming year.

OTHER LIABILITIES & PROVISIONS

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

LEASES

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Statement of Comprehensive Revenue & Expense in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Comprehensive Revenue & Expense on a straight-line basis over the term of the lease.

PROPERTY, PLANT AND EQUIPMENT

Recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. Borrowing costs are not capitalised.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Statement of Comprehensive Revenue & Expense.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Revenue & Expense in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, some aspects of the pitch and assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the major classes of property, plant and equipment are as follows:

Land	indefinite
Pitch	10 years to indefinite
Buildings	8 to 70 years
Replay screen & production equipment	3 to 25 years
Fitout	5 to 50 years
Fittings	3 to 20 years
Plant & machinery & equipment	2 to 70 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance date.

Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed, and then depreciated.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by Trust, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the statement of comprehensive revenue and expense, and carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by regular physical inspection of assets, and a planned preventative maintenance and asset replacement programme.

STATEMENT OF CASH FLOWS

The statement of cash flows has been prepared using the direct approach. Operating activities include cash received from all income sources of the Trust, record cash payments made for the supply of goods and services and include cash flows from other activities that are neither investing nor financing activities. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that result from the funding structure of the Trust.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies in the year ended 30 June 2017.

INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of Wellington Regional Stadium Trust's financial statements for the year ended 30 June 2017

The Auditor-General is the auditor of Wellington Regional Stadium Trust (the Trust). The Auditor-General has appointed me, Mari-Anne Williamson, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust on his behalf.

OPINION

We have audited the financial statements of the Trust on pages 14 to 22, that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive revenue and expenses, statement of changes in trust funds and limited recourse loans and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Trust:

- present fairly, in all material respects:
  - its financial position as at 30 June 2017; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 23 August 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements, we comment on other information and we explain our independence.

BASIS FOR OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE TRUSTEES FOR THE FINANCIAL STATEMENTS

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless the Trustees intend to wind up the Trust or to cease operations, or have no realistic alternative but to do so.

The Trustees' responsibilities arise from clause 15 of the Trust Deed of the Trust.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the *Public Audit Act 2001*.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included on pages 2 to 13, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENCE

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have not provided any engagements for the Trust during the year ended 30 June 2017. Through the Trust's hospitality and catering provider Spotless, the Office of the Auditor-General hired conference facilities within the Stadium. The costs were incurred on a normal arms-length basis. Other than hiring conference facilities, we have no relationships with, or interests in, the Trust.

Mari-Anne Williamson

Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
TRUST PARTICULARS AT 30 JUNE 2017

SETTLORS
Wellington City Council
Greater Wellington Regional Council

TRUSTEES
John Shewan
Susan Elliott
Steven Fyfe
Simon Marsh
Mark McGuinness
David Ogden
Rachel Taulelei
Dame Therese Walsh

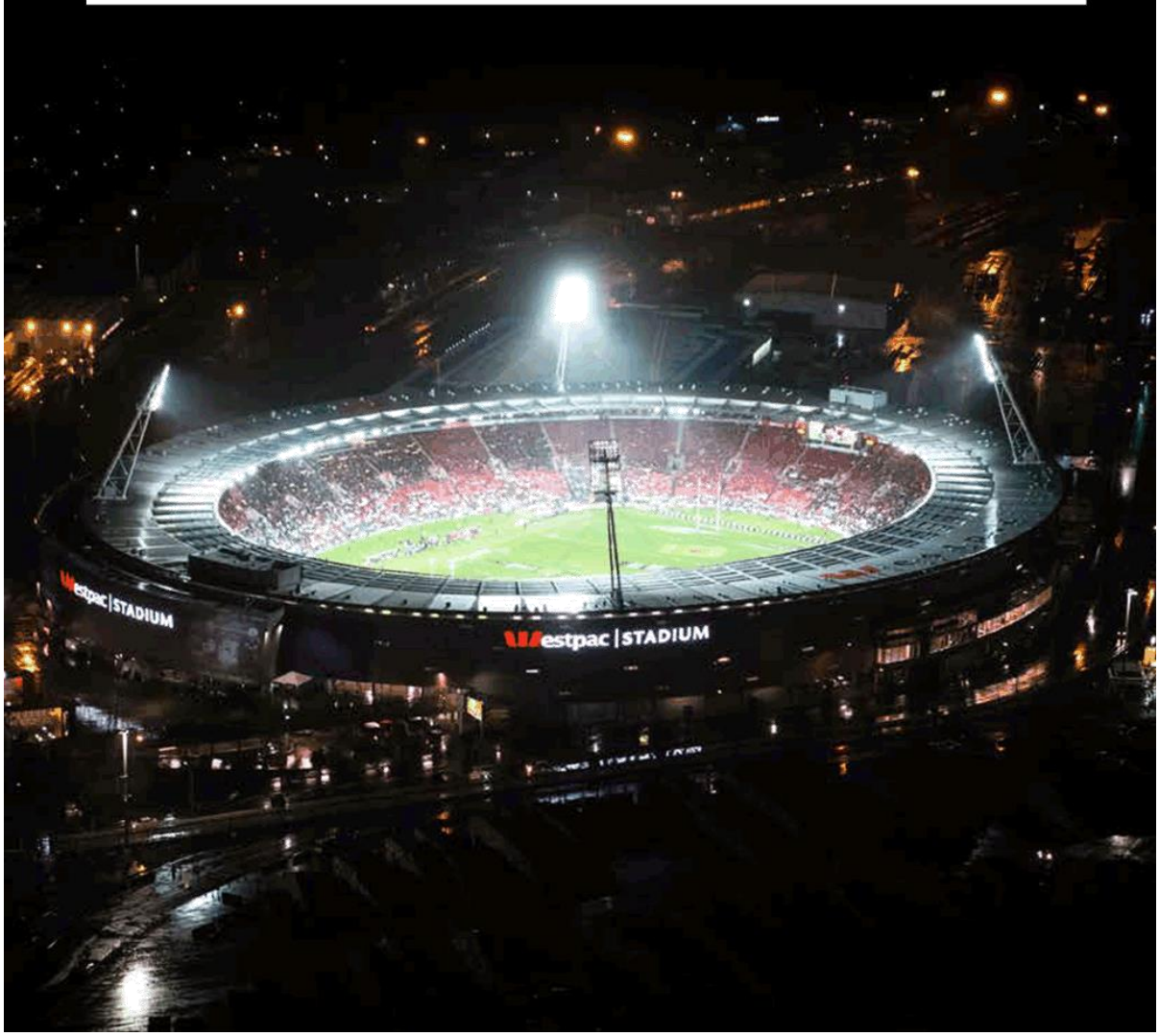
DATE OF SETTLEMENT
1 January 1998

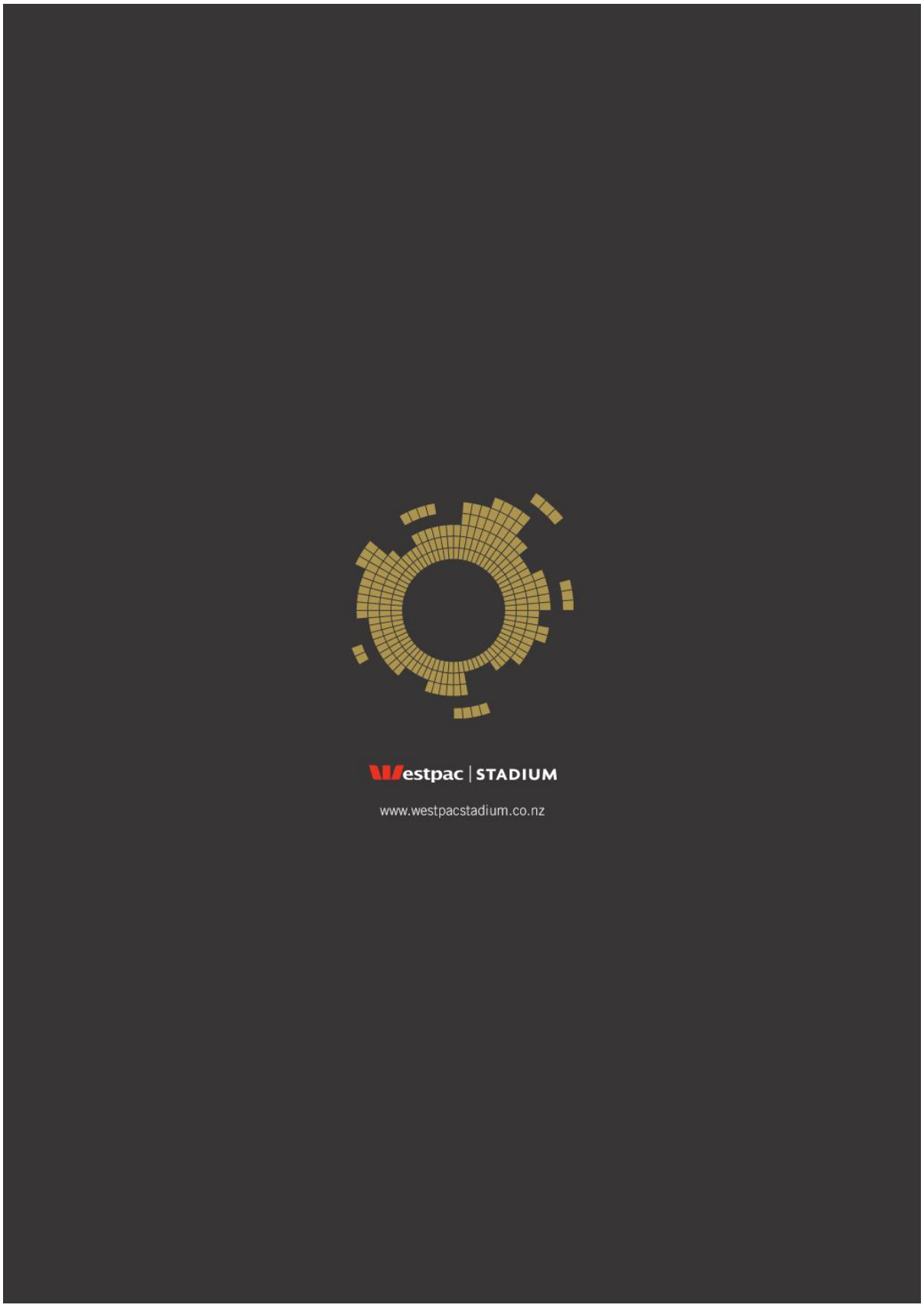
AUDITORS
Audit New Zealand, Wellington
on behalf of the Controller and Auditor-General

SOLICITORS
Maude & Miller

BANKERS
Westpac New Zealand Ltd

Photography courtesy of Grant Down, Marty Melville, Dan Sheridan INPHO (image page 14), Mark Tantrum Photography and Photosport New Zealand.

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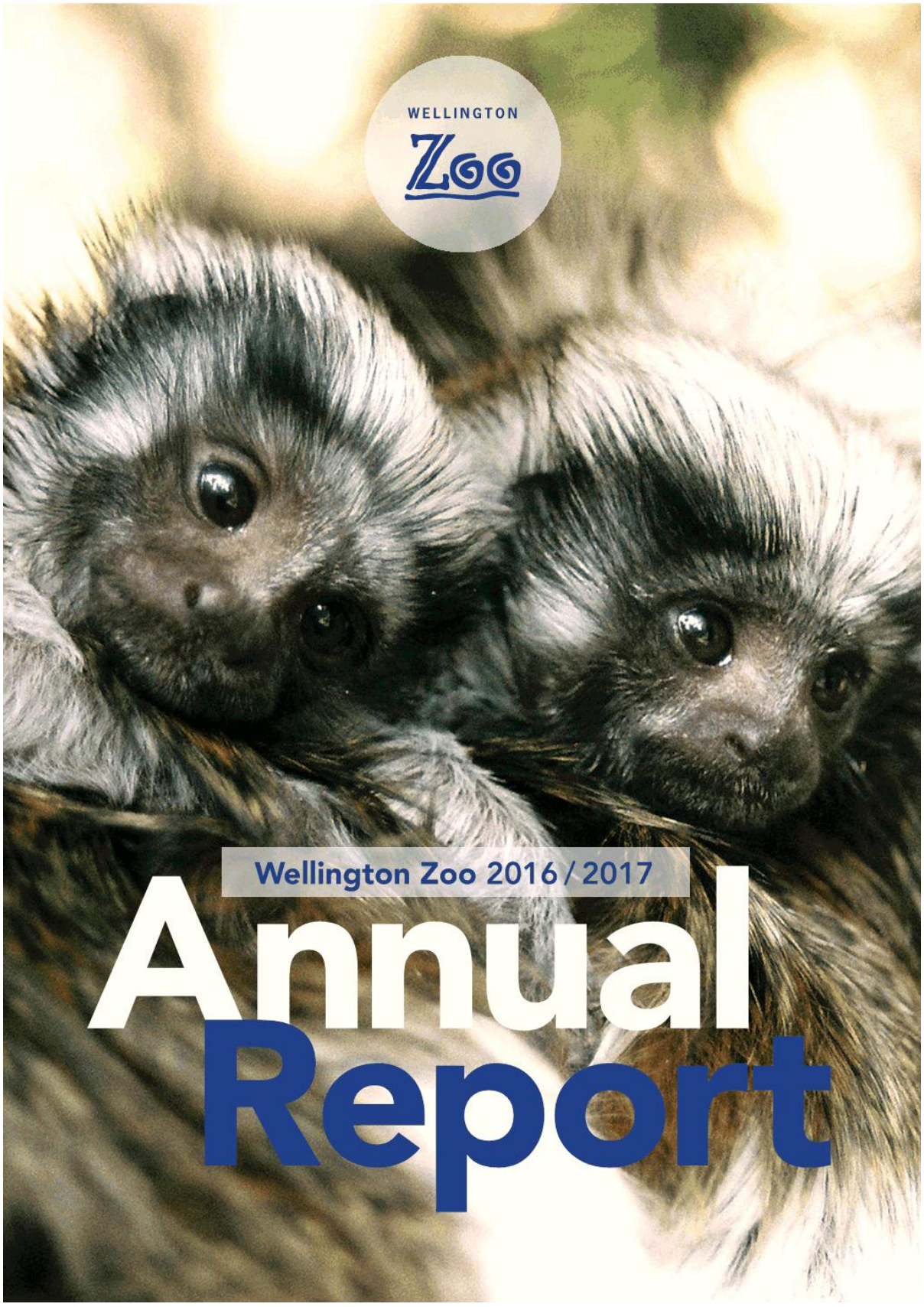
WELLINGTON
Zoo
Wellington Zoo 2016 / 2017
Annual
Report

Highlights 2016/17

Save Animals in the Wild

New Zealand's four major zoos encouraged New Zealanders to share their views on the need for labelling of palm oil, and the impact non-sustainable palm oil production has on habitats of wild animals like the Sumatran Tiger

We signed a Memorandum of Understanding with the Jane Goodall Institute NZ, which coincided with Dr Jane Goodall visiting the Zoo in June. We will host an office for JGI NZ at Wellington Zoo.

Contributed **$386,339** to field conservation helping to save animals in the wild.

Connect People and Animals

The first phase of the Happy Animals project was completed, with 3D information cubes installed beside Monkey Island. The information is based on the Five Domains of Animal Welfare and explains how the Zoo cares for animals so that they are healthy and happy.

1,251 contact hours providing hands-on interaction for Zoo visitors with a range of animals, including Kunekune Pigs, Tuatara and Weta.

Kea walk-through experience opened – the final stage of the Zoo Capital Programme that has seen most of the Zoo rebuilt physically and experientially.

People Love and Support the Zoo

1,723 Newtown locals enjoyed our busiest Neighbours Night ever.

We have reached an accumulative total of **4,943,527** unique users via Facebook.

Seven percent increase in revenue from our Zoo shop, due to careful product selection with a particular focus on environmentally-friendly and conservation-themed stock.

Lead the Way

Hosted 12 international and national conservation partners to share innovative ideas for global change.

carboNZero Certified for the fifth year in a row.

Awarded Gold standard by Be.Accessible for our commitment to ensuring the Zoo is accessible for people with disabilities.

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Trust Chair Report

Craig Ellison
Chair, Wellington Zoo Trust

As the Chair of Wellington Zoo Trust I am proud to be associated with a model zoo for the 21st Century. Our people believe in our zoo revolution and continue to create innovative and inspiring zoo experiences for our community. Our animals are cared for in the best possible way and dedication to animal welfare continues to drive all of our decisions. We have set the benchmark for sustainability outcomes and we continue to be carboNZero certified for the fifth year in a row. We will be deciding on further investment for sustainability in our Zoo for the coming years as we seek to continue this excellent result for Wellington Zoo.

Wellington Zoo is an iconic Wellington organisation and our intention is to have continuous improvement in all we do. Our strategic framework for our Zoo really sets the direction for how we will do this and is underpinned by our values. As a good zoo we set the standard by connecting people with animals, saving animals in the wild, having a zoo that people love, and leading the way in conservation and sustainability.

The next year will again be testament to our ambition to be a world-class zoo with the very best animal care, veterinary research, community engagement and conservation outcomes. We achieved Gold standard with Be. Accessible this year and this shows our commitment to ensure everyone in our community can enjoy their Zoo.

I would like to express my thanks for the dedication of our Trustees in supporting the work of the Zoo. The Trustees work in partnership with the Zoo's Strategic Management Team to ensure Wellington Zoo achieves its goals. I would like to give a vote of thanks to Francie Russell and Linda Meade who finished their terms on the Board after 13 and seven years respectively. They have both dedicated their time and expertise to Wellington Zoo and have been active members of the Board.

I would also like to acknowledge the hard work and commitment of the Zoo staff over the last year. It has been a privilege to work with you all.

Last year we celebrated in some style the Zoo's 110th birthday, and as we move into 2017-18 we are looking to build on our success and create a place of pride for Wellingtonians. We will be aiming high and we thank you for being with us in our leading the way journey.

Chief Executive Report

Karen Fifield

Chief Executive, Wellington Zoo Trust

I am proud to say that Wellington Zoo is a world leading zoo. As the capital city zoo we are a place of best practice animal care, community engagement with an ethical business approach to sustain the important conservation and sustainability work we do as a good zoo.

We opened the Kea Walk-through experience in 2017 – the final piece in Meet the Locals He Tuku Aroha – our love story for New Zealand. We also upgraded The Twilight Te Ao Māhina, The Living Room and the Otter habitat. We welcomed 230,632 visitors this year and we appreciate how our community supports us and loves what we do.

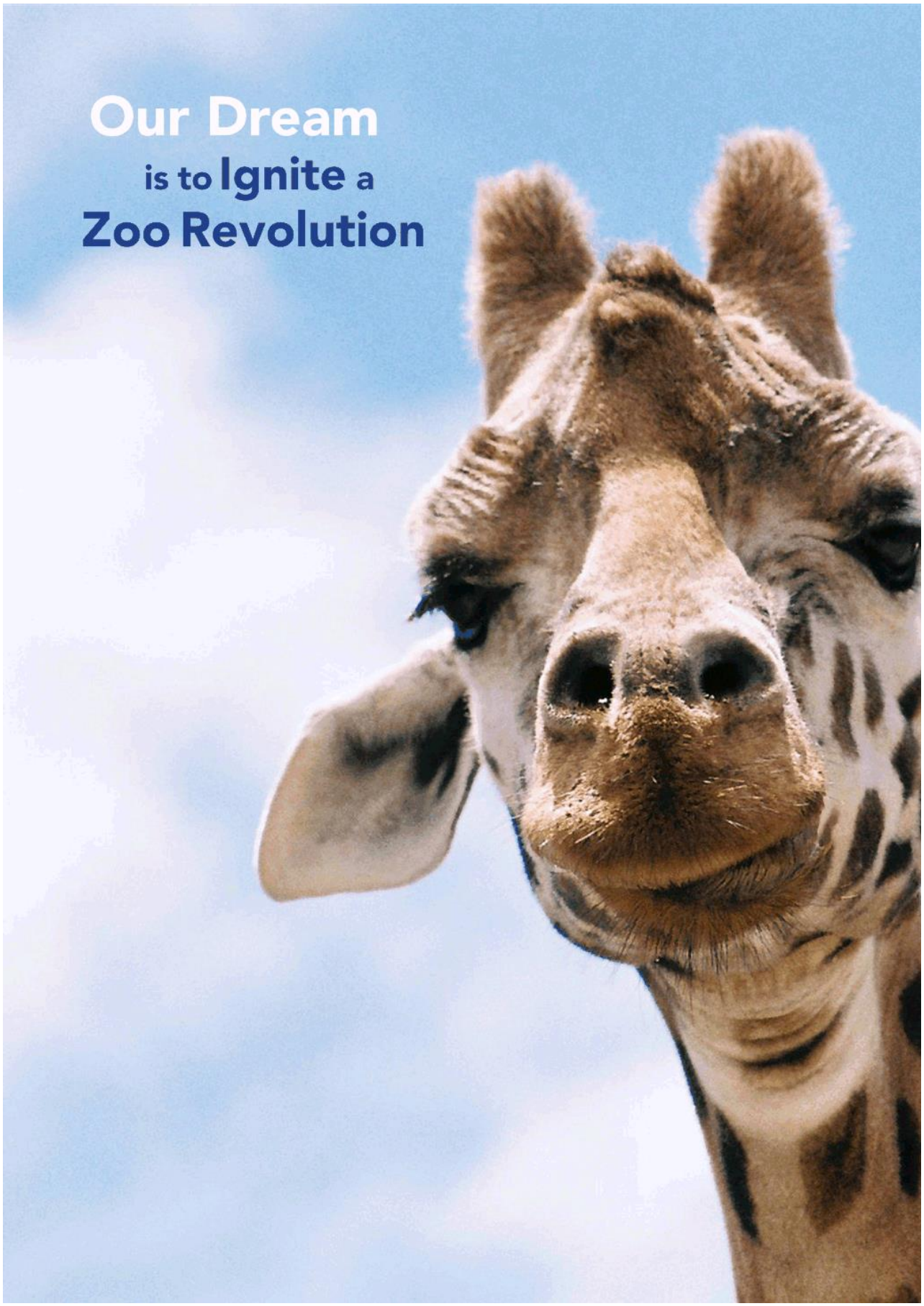
This year we have welcomed new animals to the Zoo, many of whom are endangered in the wild, notably two Cotton Top Tamarin babies. However, we said goodbye to some long-time residents of our Zoo, notably Gari the Fiordland Crested Penguin who went to live at Taronga Zoo and the deaths of Tisa the giraffe, Rokan the tiger and Beni the Chimpanzee.

Wild Ideas brought all of our local and global conservation partners to Wellington for one week to celebrate the hope we have for saving animals in the wild if we all work together. The symposium and the other activities during the week highlighted the amazing field conservation work that Wellington Zoo is proud to support.

Wellington Zoo joined with Auckland Zoo, Hamilton Zoo and Orana Wildlife Park to support the Australasian Unmask Palm Oil campaign, Ask for Choice. We called on Kiwis to join us in demanding clear labelling of palm oil on all food products. We believe every New Zealander should be able to choose what's in their food. Clear labelling is the best step forward for consumers, so that they can demand sustainable palm oil and make better nutrition decisions.

The Trust generated 57% of its operational costs this year and met or exceeded 17 of the 21 targets we set ourselves for 2016-17.

As we prepare to start 2017-18 I am excited for what we have planned for Wellington Zoo. I know we will all be working hard to make our dreams for our Zoo come true.


Our Dream
is to Ignite a
Zoo Revolution

Strategy: **Save animals in the wild**

The Zoo's strategic vision is to make lasting positive change in our world through connecting people with animals, and collaborating with conservation organisations and the community for positive environmental outcomes.

Wellington Zoo supports thirteen global and national conservation partners. Wellington Zoo's Conservation Fund helps to fund projects run by our conservation partners, including the protection of habitat, environmental education in communities, habitat and population monitoring, and husbandry development in the country where the animals naturally occur. Every year, Wellington Zoo staff support many of these conservation partners by using their expertise in these field conservation projects.

Measure	Target	Status	✓
Number of Field Conservation Projects supported for threatened (NZ) endangered or critically endangered (global) species	≥ 4	9	✓
% of OPEX directly contributed to field conservation	3%	5.84%	✓

WILD IDEAS for Global Change

As a finale to Wellington Zoo's 110th birthday, we wanted to show our community that everyone can make a difference in protecting the environment and saving animals in the wild. The Wild Ideas initiative was a global coming together of hearts and minds for conservation.

Wellington Zoo's Wild Ideas took place in April with events held over the course of a week including a two day community symposium. Representatives from each of Wellington Zoo's conservation partners were invited to Wellington with a specific focus: presenting inspiring ideas for conservation. Our global conservation partners travelled to Wellington from Vietnam, USA, South Africa, UK, Colombia, Brazil, Nepal, Australia, Cambodia and Spain

"Our focus is about working together to save animals in the wild and we're thrilled to have our conservation partners echo this message at the symposium and talk about how we can secure a future for wildlife together."

Karen Fifield MNZM, Chief Executive, Wellington Zoo

Wild Ideas opening ceremony

Neavin Broughton, our local Iwi representative from Taranaki Whānui, welcomed Wellington Zoo's conservation partners with a stone ceremony. Each partner brought a stone from their country – something that signified themselves and their organisation. Wellington Zoo gifted a stone to each partner from Wellington's south coast to represent the natural wildness of our region.

The stories shared with the gifting of the stones were unique and thought-provoking. They focused on supporting local communities through employment and education opportunities, ultimately resulting in less habitat destruction which will in turn protect animals.

One Wild Idea for Global Change

> **Madagascar Fauna and Flora Group (MFG) works to preserve the environment and habitat for Lemurs. MFG asked their local communities what they wanted in return for supporting their conservation work. The locals specifically wanted support for their children's education so MFG offered additional education in the form of a Saturday School. After implementation, the pass rate for secondary school entry exams rose from 15 percent to over 80 percent. With the help of the MFG Saturday School, local children can now continue their education, and as a result their parents are dedicated to supporting MFG's conservation efforts.**

Wild Ideas for Global Change Symposium

The main focus of the week, the Wild Ideas for Global Change Symposium was held on 5 and 6 April at the Paramount Theatre and was opened by Wellington Mayor Justin Lester and the Minister for Conservation Hon Maggie Barry.

With over 150 people in attendance each day, the symposium was an opportunity for each conservation partner to showcase their Wild Ideas for Global Change in depth. Audience members included school students, university students, environmentalists, business people and members of the Wellington community. The attendance of zoo staff members from Australia and New Zealand showed the level of interest in these ideas. Each global conservation partner was introduced by a Wellington Zoo staff member who had spent time working with that partner in the field.

To encourage further audience participation, four panel discussions were also held over the two-day symposium. Wellington Zoo's partners were joined by members of the Wellington sustainable business community, along with other wildlife agencies and organisations to discuss the topics 'People Power', 'Conservation Innovation', 'Future of Conservation' and 'Sustainable Conservation'.

"It was a privilege to represent Cheetah Outreach at 'Wild Ideas' as a conservation partner of Wellington Zoo, together with a number of other international conservation projects. The conservation week was a huge success and something which other zoos can use as an example."

Deon Cilliers, Cheetah Outreach

Wellington Zoo Staff Day

The goal of this dedicated staff and conservation partners day was to learn from one another. The conservation partners spent half the day in direct discussions with Wellington Zoo staff members, and the other half working in the Zoo with the staff caring for the animals at Wellington Zoo.

Wild Ideas Takeover Day

The final event of the week-long celebration was a day for the Wellington community to meet our conservation partners and the animals they are saving in the wild. The conservation partners took over the visitor-facing experiences in Wellington Zoo that related to the animals their project is working to save in the wild. These experiences included helping with animal talks, animal close encounters and facilitating 'Meet the Expert' sessions for Zoo visitors.

Other activities were also on offer during the day in association with Wellington Zoo's local 'Nature Connections' partners, Zealandia and Pukaha Mount Bruce. The highlight of the day was the 'un-selfie' digital photo booth where visitors were able to take an 'un-selfie,' and pledge a behaviour change promise that would support the conservation efforts of our partners.

The Wild Ideas Visitor Takeover Day welcomed 1,047 visitors to the Zoo, a fantastic way to round off an amazing week with Wellington Zoo's global and local conservation partners.

Spreading the word

Word of mouth speaks volumes when it comes to social change. Along with the symposium audience, the visitors that attended Wellington Zoo's Takeover Day and the attendees of the VIP cocktail event, a large number of people were involved in the Wild Ideas week.

Media played a vital role in spreading the word. Coverage in media included articles in the New Zealand Herald and on Stuff, an interview live on TVNZ breakfast with our partner Matt Hunt from Free the Bears and Wellington Zoo General Manager Community Engagement Amy Hughes, and radio interviews with Dr Eric Miller our partner from Madagascar Flora and Fauna Group on ZB with Tim Fooks, and Radio NZ with Jesse Mulligan.

We regularly posted on social media both before and during the Wild Ideas symposium and Takeover Day. Our top Facebook post reached more than 15,000 people, while our top tweet on Twitter had over 2,700 impressions and our top post on Instagram reached over 800 people.

Visitor engagement

Wellington Zoo firmly believes that engagement is the key for behaviour change. Each conservation partner focused on engaging the Wellington community with the environmental challenges to be overcome. With a wide range of animals and habitats represented from around the world, this meant each Wild Idea was unique in the way the conservation partners approached engaging the audience.

"We enjoyed listening to all the guest speakers from around the world and getting to know more about their special animals and situations. It was a great opportunity to attend as my daughter wants to be a zoologist and is interested in conservation."

Anne and Jessica Rayner

Collaboration

Wild Ideas was all about collaboration. The key element in the success of this project was the involvement of all of the Zoo's national and international conservation partners.

Throughout the lead up, the event and post-event, Wellington Zoo's conservation partners remained positive, enthusiastic and passionate about inspiring Wellingtonians with their Wild Ideas. The conservation partners collaborated with each other and formed global conservation networks that will be long-lasting.

Support local and global conservation programmes

Conservation partners

Wellington Zoo supports 13 global and national conservation partners:

21st Century Tiger (UK)

Cheetah Outreach (South Africa)

Flora and Fauna International (Vietnam)

Free the Bears (Cambodia, Laos and Vietnam)

Golden Lion Tamarin Association (Brazil)

Jane Goodall Institute (New Zealand)

Kea Conservation Trust (New Zealand)

Madagascar Fauna and Flora Group (Madagascar)

Proyecto Titi (Colombia)

Red Panda Network (Nepal)

Save the Tasmanian Devil programme (Australia)

TRAFFIC (Southeast Asia)

West Coast Penguin Trust (New Zealand)

Our long-standing partnership with Forest and Bird's Places for Penguins project was completed at the closing of the breeding season in January. We are proud of what we have achieved through years of nest box monitoring on the Wellington South Coast. New Zealand's penguins continue to be a focus of our conservation work and we are proud to announce our new partnership with West Coast Penguin Trust. A Memorandum Of Understanding (MOU) was signed in May, coinciding with the farewell of Gari the Fiordland Crested Penguin to Taronga Conservation Society in Australia after her rehabilitation at The Nest Te Kōhanga.

Dr Jane Goodall of the Jane Goodall Institute (JGI) visited Wellington Zoo in June to introduce the JGI Roots & Shoots programme.

During Dr Jane's visit we launched our Rangatahi Roots & Shoots programme which will see 12-18 year olds develop leadership experience and encourage members of our community to take positive action for global change.

At Dr Jane's visit we formalised our growing partnership with JGI New Zealand by signing an MOU and announced the addition of a JGI New Zealand office at the Zoo.

We have increased the level of funding to the Golden Lion Tamarin Association for their work saving Golden Lion Tamarins, to support the innovative conservation work they are undertaking with connecting fragmented habitat in Brazil.

Our donation to Save the Tasmanian Devil Programme was used to purchase mobile tablets for field researchers to monitor Tasmanian Devils in the wild. This means that the team has a way of recording field data digitally, which saves an incredible amount of post-trip data entry and allows for rapid analysis.

Photo: Justine Hall Photography

Staff conservation champions

Our Wellington Zoo Conservation Fund enables our people to use their expertise in projects in New Zealand and overseas.

This year:

- Veterinary Nurse Deneka De Sousa volunteered with Friends of Mana Island and Ecogecko in August to survey Ngahere Geckos and aid in plant restoration on Mana Island.
- Massey Veterinary Resident Megan Jolly visited Kāpiti Island to help with medical treatment of two Takahē with coccidiosis, an intestinal disease.
- Veterinarian Karina Argandona went to Westport for the release of two Fiordland Crested Penguins (Tawaki) which had been cared for in The Nest Te Kōhanga.
- Keeper Josh Forrest worked with Red Panda Network in Nepal for almost four weeks. Josh tracked and monitored Red Panda in the wild and assisted with their Forest Guardian programme.
- Senior Visitor Advisor Ali Gregory worked at the offices of 21st Century Tiger in London. Ali assisted their office team with compiling a draft Fundraising Guide, redesigns of the Tiger Species, Territory and Prey, Threats and Solutions fact sheets, and created a new Amur Leopard fact sheet for their website.
- The Nest Te Kōhanga's Practice Manager Amanda Tiffin worked with Fauna & Flora International (FFI) Vietnam on Wellington Zoo's largest conservation project for Gibbons. Amanda supported FFI's work with the local community to ensure a safe habitat for all animals living in Pù Mát National Park.
- Reptile Keeper Kayla Aitken joined Dr Ben Bell from Victoria University to conduct the annual Maud Island Frog census on Maud Island.

We also partnered with the Department of Conservation (DOC) to survey Green Geckos and Ngahere Geckos released on Matiu/Somes Island many years ago. Our staff visited the island once a month from November to April to conduct night and daytime surveys. We were thrilled to find the first Green Gecko spotted on the island in over four years on our last trip. We hope to gain a better understanding of Geckos on Matiu/Somes Island over the next year to help inform conservation management on the island.

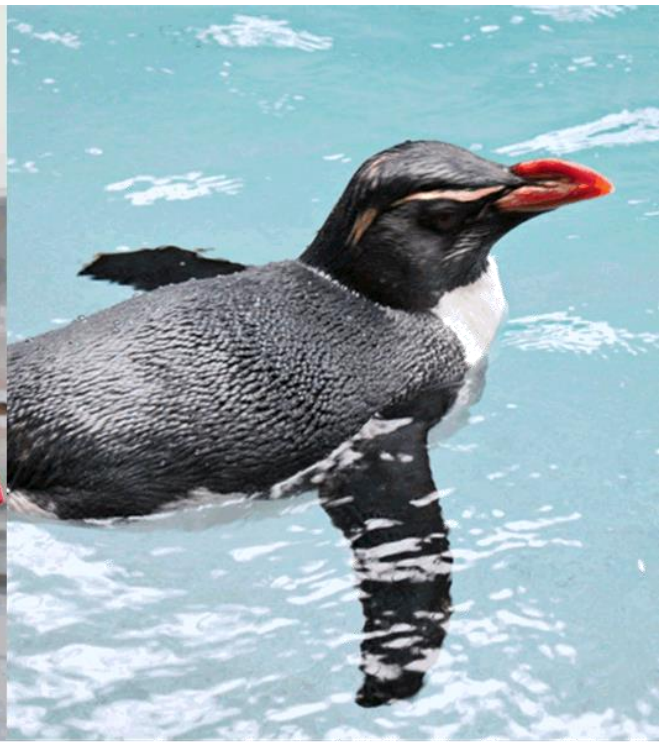
Purchasing household products from sustainable sources can directly help animals like the White Cheeked Gibbon by reducing the demand for trees from their forest habitat.

Measure	Target	Status	✓
Number of threatened Native specimens (DOC rating) treated in The Nest Te Kōhanga	≥30	62	✓
Percentage of native patients successfully released to the wild after treatment in The Nest Te Kōhanga	≥55%	47%	✗
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) in the Zoo's collection	≥26	26	✓

Saving native species at The Nest Te Kōhanga

Over the year the veterinary team at The Nest Te Kōhanga have treated a range of native animals including:

- 14 Little Blue Penguins.
- 24 Kākā including one nationally vulnerable South Island Kākā.
- 10 Ngahere Geckos. They stayed at The Nest Te Kōhanga for a quarantine period as part of a translocation to Mana Island. A number of organisations worked together on this translocation including Ecogecko, Winstone Aggregates and the Department of Conservation.
- Six nationally vulnerable Fiordland Crested Penguins (Tawaki). Five of these birds came from our partnership with the West Coast Penguin Trust, and one was found at Castlepoint. Four birds were successfully released to the West Coast after a period of care; sadly the other two Penguins died due to their injuries.
- Three nationally vulnerable South Island Takahē. One male Takahē at Zealandia with ongoing symptoms, and two Takahē on Kāpiti



Island required treatment for an intestinal disease.

- Two endangered Whitaker's Skinks.
- Two nationally vulnerable Rowi Kiwi.
- One nationally critical Chatham Island Tāiko chick.
- One nationally endangered Otago Skink.

As well as providing medical care for injured wild Kākā, the veterinary team performed blood sampling of wild nestling Kākā within the broader Wellington region to assess the health of growing chicks and monitor for diseases. A Kākā feeding video was released in conjunction with Zealandia and Wellington City Council, with Senior Veterinarian Baukje Lenting speaking about how we can help to look after wild Kākā.

Working with the Community

A community workshop for the care of injured birds, presented at the Zoo by staff from The Nest Te Kōhanga, alongside DOC and SPCA staff, was a success. DOC is keen to run the workshop again in the near future.

"By sharing our skills with other conservation agencies, we can make sure injured wildlife receive care as quickly as possible – meaning we can return more native animal patients to the wild."

Jenny Lynch, Acting Conservation Manager

Lead science and research projects

Measure	Target	Status	✓
Participate in animal based scientific projects and paper publication	≥ 4	5	✓

University projects

Two students from HAS University in The Netherlands joined Wellington Zoo in 2017. They are undertaking two separate projects with us:

1. The first study is looking at the effect changing the diet to Boskos pellets has on Nyala, Giraffe, Capybara and Kangaroo. It is looking at behaviour around feeding, food preference and intake, body scoring and faecal scoring. This study will allow us to fully understand the impact of the new diet on these animals in our care.

2. The second study is to assess if there is a welfare impact on our reptile species from being handled and interacting with our visitors. The main focus of this study is on the Tuatara. Until this study began no ethogram (list of behaviours) had been developed for Tuatara. Developing an ethogram will allow us to increase the knowledge of this endemic New Zealand species.

Bee colony health study

This research is about the distribution of Lotmaria and Crithidia (honey bee pathogens). The focus will be on how distribution may change over time and in different locations, and how this may relate to other pathogens in New Zealand. These pathogens have been recently associated with hive losses in New Zealand, but as yet there is no scientific evidence for such effects. We take samples from the hive behind the barn in Meet the Locals He Tuku Aroha every six weeks and will contribute data over the full 12 month research period.

Build community action for wildlife

Unmask Palm Oil campaign

Wellington Zoo has joined with Auckland Zoo, Hamilton Zoo and Orana Wildlife Park to support the Australasian Unmask Palm Oil campaign. We called on New Zealanders to join us in demanding clear labelling of palm oil on all food products.

We believe every New Zealander should be able to choose what's in their food. Clear labelling is the best step forward for consumers, so that they can demand sustainable palm oil and make better nutrition decisions.

Consumer pressure in combination with well-enforced local legislation will result in the preservation of pristine rainforest. Mandatory labelling will help everyone to choose sustainable palm oil, therefore helping the animals that rely on these wild habitats to survive.

Tip Top joined us for two days in August and November to support our Unmask Palm Oil campaign. Tip Top set up at the Tiger Habitat and sold Tiger Time ice cream for $2 with all proceeds donated to Wellington Zoo's Conservation Fund.

The Ask for Choice palm oil labelling campaign was successful at engaging our community with many New Zealanders having their say at our Zoo and online. We received great media coverage over the four months of the campaign. Alongside representatives from Auckland Zoo, Orana Wildlife Park and Unmask Palm Oil, we delivered postcards from members of our community to the steps of Parliament where they were accepted by the Co-leader of the Green Party, James Shaw.

The outcome of the Ministerial Forum on 25 November was to undertake more research on the health implications of palm oil before formulating a clear policy.

The campaign's joint media release went out in April when the vote on labelling at the New Zealand Ministerial Forum on Food Regulation was scheduled to take place. This has unfortunately been delayed until later in 2017.

"Mandatory labelling will help everyone to choose sustainable palm oil – and, in turn, help Sumatran Tigers, Orangutans and thousands of other animals that rely on these wild habitats to survive."

Ben Dowdle, Unmask Palm Oil Founder

Strategy: **Connect people with animals**

Design creative and exciting message-driven experiences

Our new Kea walk-through experience opened in January, the last chapter in Meet the Locals He Tuku Aroha. This development is the final part of work in our Zoo Capital Programme that has seen us rebuild most of the Zoo physically and experientially.

"We have supported the Kea Conservation Trust for a number of years now and we're proud to be involved in Kea conservation, by connecting Wellingtonians with our Kea and raising awareness about these amazing birds."

Daniela Biaggio, Conservation Manager

The Twilight Te Ao Māhina re-opened in July after a visitor experience refresh and improvements to the animal habitats for both Kiwi and Tuatara. The space was developed with the five voices approach used for visitor experience in Meet the Locals He Tuku Aroha, to link the two New Zealand experiences of the Zoo more closely.

The first habitat that visitors to the Zoo see has been revamped for our five Short-Clawed Otters. The old wooden fencing of the habitat has been replaced with glass fencing. This provides fantastic views of the animals and improved the Otters' welfare by allowing them a full view of the surrounding area.

The Living Room was given a makeover in April to create an exciting Waharoa (gateway) to the Zoo for students. There are themed spaces for learning: Forest - Te Ngahere; Wetland – Te Koreporepo; and Desert – Te Koraha. There are new animal habitats including a Gecko terrarium, coloured carpet and animal silhouettes on the walls. There is also a feedback tree where students are able to leave messages and thoughts. The AV has been updated with a new smart TV and iPads for the Educators.

Happy Animals

The Happy Animals visitor experience project was installed in March. The design, content and storyline explain how the Zoo cares for animals so that they are healthy and happy. The information is based on the Five Domains of Animal Welfare.

Happy Animals is an interactive way to engage our visitors about this animal welfare ethos and how we incorporate it throughout the Zoo. The 3D cubes are wrapped with information, thought-provoking questions and imagery of our staff and animals. The cubes have initially been installed beside Monkey Island and will eventually be incorporated throughout the Zoo.

"It is such a family-friendly environment, set up for stops with the kids, play/picnic areas were fantastic. Loved all of the facts and discovery of information. Beautifully kept grounds and enclosures, lucky animals!"

Zoo visitor

Maximise the connection with animals

Events

Our annual Winter Wednesdays in August were well attended. In total, we welcomed 5,063 visitors - an increase of 12.5 percent on last year.

'Do at the Zoo' was held on 18 September as part of Conservation Week. We offered entry for a $2 donation for children under the age of 14. The theme was 'Healthy People, Healthy Nature' and the focus was the New Zealand native species that Wellington Zoo helps to support through the Conservation Fund.

New animal arrivals

For every new animal arrival at Wellington Zoo, we contribute five percent of the transport costs to TRAFFIC South East Asia, an organisation which works to combat the illegal wildlife trade.

We welcomed these new animals:

- In September 20 Nyala arrived to be the core animals for the Australasian breeding programme for the species. The regional breeding programme is managed by the Zoo and Aquarium Association Australasia (ZAA) to ensure a wide genetic variation for Nyala in human care.
- In November two Kea arrived as part of the national Kea uplift/rescue/rehabilitation programme managed by DOC.
- In February one male Golden Lion Tamarin arrived from Adelaide Zoo to pair with Clementine, our female Golden Lion Tamarin.

"These Nyala will help play an important advocacy role for other endangered antelope species like the Eastern Bongo, so that people can learn more about these beautiful animals and raise awareness for the threats they face in the wild."

Simon Eyre, Animal Science Manager

Relocations

After her stay at The Nest Te Kōhanga, Gari the Fiordland Crested Penguin (Tawaki) left for a new home at Taronga Zoo. She wasn't able to be released into the wild due to her original injuries but has found a good home in Sydney where she is joining two other Fiordland Crested Penguins.

Miro the Kiwi was released into the wild in

Maungataniwha, a native forest project in Hawke's Bay.

A male Jewelled Gecko, who was repatriated at Wellington Zoo after being smuggled to Europe from New Zealand, went to live at Otago Museum in Dunedin.

Other moves included nine Squirrel Monkeys to Perth Zoo, four Nyala females to Werribee Open Range Zoo, two Sheltopusiks and one male and six female Nyala to Auckland Zoo, and the female Bongo Maisha to Taronga Western Plains Zoo.

Farewells

This year we had to say a sad farewell to a number of Zoo residents.

Beni, Wellington Zoo's nine-year-old male Chimpanzee, died after sustaining an injury to his leg.

The Zoo's eldest female Giraffe Tisa died in February after a health check and hoof trim under general anaesthetic. Her health deteriorated quickly due to age-related complications.

A Red Panda named Ishah was euthanised due to reduced mobility and activity because of spinal degeneration.

Rokan the Sumatran Tiger was euthanised due to arthritis in both his ankles and knees due to age. These changes resulted in signs of stiffness, difficulty rising from rest and reduced mobility.

Notable newborns

Our Cotton Top Tamarins had twin babies in May. The new parents came from different zoos a year ago, with Esteban from Blackpool Zoo in the UK and Celeste from Bratislava Zoo in Slovakia.

Our Red-Rumped Agoutis successfully bred twice during the year, producing five offspring.

Measure	Target	Status	✓
Contact animals meeting visitors in the Zoo	1,000 hours	1,251 hours	✓
People participating in Animal Close Encounters	4,069	4,149	✓

Close encounters and contact animals

Our Educators and Visitor Rangers provide visitors with a hands-on interaction with Tortoises, Kunekune Pigs, Blue-tongued Skinks, Tuatara, Forest Geckos, Cockatoo, Weta, Millipedes or Sheltopusiks.

Close encounters

We have had another very popular year with 4,149 people getting up close and personal with Red Panda, Meerkat, Black and White Ruffed Lemur, Lion, Giraffe and Cheetah Close Encounters. Each unique experience has contributed 10 percent of the Close Encounter purchase to the Wellington Zoo Conservation Fund. Participants also have the opportunity to make online retail purchases linked to their Close Encounter before arrival and can get 10 percent discount off Zoo shop purchases during their visit.

"Meeting the Cheetahs was incredible, but also meeting the staff who were so incredibly passionate and knowledgeable about the Cheetahs. I could have spent the rest of the day there asking more and more questions!"

Close Encounter participant

Learning

Wellington Zoo is passionate about helping children learn about our amazing animals, gain an understanding of the role of a good zoo and discover what they can do to care for the natural world.

Our Learning Experience Team provides unique experiences for 18 months to 18-year-olds by creating and delivering participatory learning sessions and magical animal encounters that support our local and global conservation efforts. Through enquiry-based learning and child-friendly encounters with animals and staff, Wellington Zoo strives to empower future generations.

With a plethora of knowledge in environmental science, conservation, zoology and animal physiology, paired with live animal interactions, Wellington Zoo supports Learners in meeting and raising achievement in numerous curriculum objectives. Educators provide behind-the-scenes access to Vets in The Nest Te Kōhanga, Animal Keepers in habitats, and Nutritionists preparing particular diets ranging from bugs, to goat for the Tasmanian Devils.

"Wellington Zoo is by far the best zoo we've visited around the world in terms of its mission and love of the animals. It is an uplifting place that helps show that we are all in this together."

Zoo visitor

Measure	Target	Status	✓
Number of students participating in LEOTC sessions	10,000	10,754	✓

LEOTC Learning Sessions

Wellington Zoo is a Learning Experience Outside the Classroom (LEOTC) provider, contracted to the Ministry of Education (MOE). This past year we had 10,754 Learners participate in our LEOTC programmes - this is 5,254 above the target set by the MOE. With the addition of a second full-time Educator, we hope to cater for more participants in 2017/18.

As part of the LEOTC contract, the MOE measures the success of the learning programmes Wellington Zoo provides via Milestone Reports and monitoring visits. We have received very positive feedback with regards to numbers participating in Educator-led learning sessions and our innovative programmes that support the Government's priorities. These priorities include improving education outcomes for Māori and Pasifika learners, special education learners and those from low socio-economic backgrounds.

Sleepovers

Our Night Rangers are talented storytellers that bring the dusk and dawn alive for our visitors. They facilitate engaging activities with conservation and sustainability messages, combined with fun and adventure. 2,766 people experienced the Zoo after dark on a Sleepover during the past year.

School holiday programme

Our Holiday Programmes offer exciting animal and conservation activities for 40 children a day for eight weeks a year. We had 1,550 children participate in our Holiday Programmes over the past year.

Notable school visits

Our 'Primate Evolution' programme supported 1,120 Year 13 students in NCEA achievement standard Biology AS91606. Learners analyse the evolutionary trends through investigating skulls and skeletal hominids, using relevant language to explain the evolutionary patterns they discover. They then observe our primates in the context of the concepts just discussed. As Wellington Zoo is home to the largest primate collection in New Zealand, we are able to create an unrivalled and engaging programme that adds significant value to the classroom delivery of this unit for students and a superlative resource for teachers.

"It was extremely valuable for the students to take part in the interactive stations in the Human Evolution lesson and to have an opportunity to discuss the behaviour of living animals right in front of them with a highly qualified Zoo Educator."

Sue Frost, Whanganui High School

Hundreds of Year 12 business studies students participated in 'Motivations the Zoo provides to its staff' learning sessions which provide an interesting insight into our unique organisation.

Kimi Ora School sleepover

Our Sleepover LEOTC Learning Sessions offer students the opportunity for an overnight adventure at the Zoo and then wake to the roar of the Lions and call of the Gibbons. Evening and morning tours illuminate different behaviours of nocturnal animals.

The Learning Experience Team facilitated a magical and memorable sleepover for students from Kimi Ora School. Taking into account the specific learning needs and interests of the ten 13-year-old special needs learners, their teachers and caregivers, the team created personalised tours with contact animals, tactile encounters, animal sounds and smells. The experience provided opportunities for independence, leadership, resilience and demonstrating personal excellence.

"I know you put lots of work into ensuring it was successful, as well as including extra classroom activities, extra helpers for the Zoo experiences, tactile experiences and feeding the giraffes. It was so amazing and we cannot thank you enough."

Sue Perry, Deputy Principal Kimi Ora School

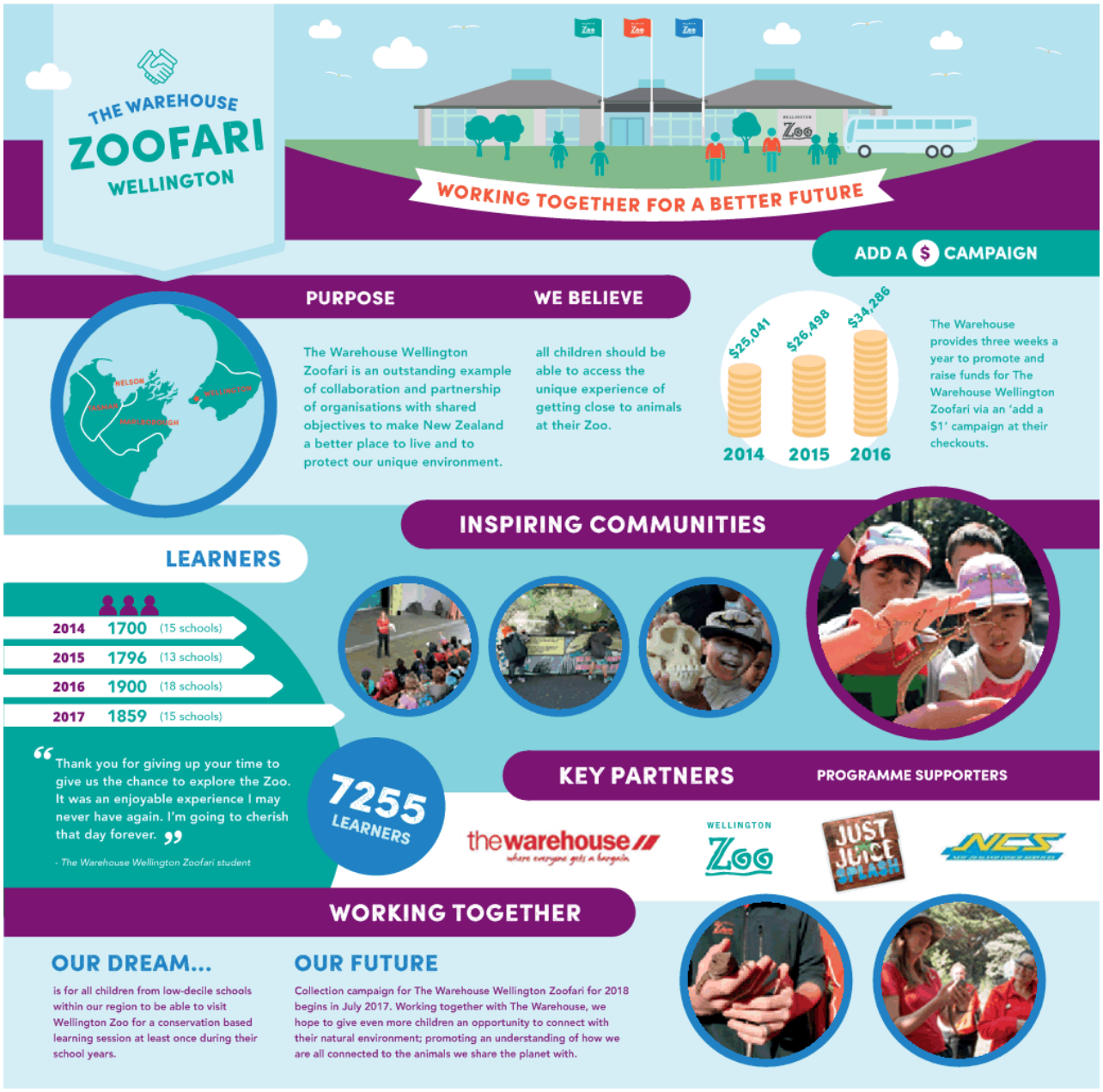
Wild Start

Our Wild Start programme is designed by our Zoo Educators especially for children aged 18 months to four years. Each session contains 45 minutes of interactive play-based learning. This year we hosted 150 pre-schoolers.

The Warehouse Wellington Zoofari Partnership

Our partnership with The Warehouse provided the opportunity for 1,859 children from decile 1–3 schools in the Wellington, Porirua, Hutt and Tasman regions to visit the Zoo for a free Zoofari Learning Session. The focus this financial year is as much on fun as it is on investigating, contributing and participating in science and conservation.

The Warehouse Wellington Zoofari July collection campaign was the second of two collections in 2016. Our Partnerships Manager spoke at The Warehouse's regional conference in September and accepted a cheque that will support Zoofari learning sessions in 2017. Our new partnership with New Zealand Coach Service supported the transport of children to and from the Zoo.



"Most students had never been to the Zoo due to economic reasons, and the follow-up experiences in terms of reading, writing and maths has meant that students have had contextual learning that really is priceless."

Mary-Jane Godinet, Holy Family School Zoofari visit

Bush Builders

Wellington Zoo Bush Builders is a hands-on programme designed to connect urban children with the biodiversity around them. The programme uses students' experiences in nature to create fun and meaningful learning opportunities, and empowers learners to take positive action for their environment.

Children develop their environmental literacy over three distinct phases including a launch at Wellington Zoo, scientific surveying around their school and a conservation action project in their community.

Projects in their communities ranged from producing Weta hotels, to creating safe places for invertebrates, to visual interpretation including signs designed by students and manufactured by Wellington Zoo for their community gardens.

"Thank you for two very relevant, extremely useful and content-reinforcing sessions. All staff members involved were outstanding in their demeanour, their presentations and their obvious knowledge, presented in an engaging and very appropriate manner."

Anne Smith, Nga Tawa School

Nature Connections

The Nature Connections project was again successful in receiving funding from the Wellington Region Ammenities Fund this year. This enabled Nature Connections to roll out the 'Wellington Wild Things' campaign, and build social media presence. The ten Nature Connections sites were also the inaugural Wellington sites for DOC's Toyota Kiwi Guardians programme – a nationwide initiative to encourage children and families to spend time together outdoors.

Strategy: **People love and support the Zoo**

More people support the Zoo and do more

Although the Zoo's visitor attendance numbers did not meet the target for this year, we were pleased to welcome 230,632 visitors to the Zoo.

This year many Wellington organisations experienced a high level of uncertainty and unpredictability in their business. This was due to the impact of the major earthquake in November followed by a poor summer: the Metservice reported the lowest number of sunshine hours in five years, higher than usual rainfall, wind speeds and lower temperatures.

Measure	Target	Status	✓
Increase total visitation	239,408	230,632	✕

Special events

On 26 January we held our 12th annual Neighbours Night with 1,723 Newtown locals enjoying our busiest Neighbours Night ever. With volunteer support from our partners at Wellington City Council Housing and Trade Me, as well as Zoo staff volunteers, we delivered a successful evening enjoyed by all. We also had a large number of City Councillors and the Deputy Mayor come along to spend some time meeting our neighbours.

"We value our community support and Neighbours Night is a way we can support our local community, including those who may not otherwise be able to visit the Zoo."

Karen Fifield MNZM, Chief Executive

We hosted our 12th Valentine's Night, a successful adult-only event with animal encounters, slightly risqué talks, music and gourmet meal packs. It was a wonderful atmosphere with 448 visitors enjoying a child-free night out.

The Zoo stayed open late on Wednesdays in February for Zoo Twilights with 453 visitors taking advantage of this summer evening option.

For a third successive year we collaborated with Zealandia to host an Open Weekend in May. This event enables people to visit both organisations over the weekend for a $2 donation to conservation. Although the weather was a bit inclement it didn't deter our visitors, with 11,498 making the most of the two days. We are grateful for the overwhelming support from the community and their contribution

of $21,937 to the Wellington Zoo Conservation Fund.

In August Wellington Zoo participated in Visa Wellington on a Plate, in partnership with Blue Carrot Catering. Two special lunches with the theme 'Feeding Time at Wellington Zoo' were followed with a talk by our Nutrition Advisor which was well received by all guests. The event finished with guests feeding the Giraffes. The feedback was very positive and we hosted 109 guests over the two dates.

Many other opportunities were scheduled to enrich our visitors' experience at the Zoo. We celebrated the opening of the Kea walk-through experience in Meet the Locals He Tuku Aroha, as well as our 110th birthday, Christmas, World Lemur Day, World Environment Day, Parks Week and Conservation Week. These activities are a valuable and effective way to connect people with animals and encourage our visitors to take action for the environment.

We held two tours with Sign Language Interpreters in New Zealand Sign Language Week attended by 14 hearing-impaired visitors.

We extended our reach into the community by taking part in the Upper Hutt Carnival, the Newtown Fair and Bug Day at Te Papa.

Volunteers and Rangers attended the Cheetahs versus Hurricanes rugby match with games, mascots and the new Wellington Zoo gazebo.

Zoo Crew

Ten percent of our Zoo Crew members' fees go to the Wellington Conservation Fund to support conservation projects around the world. Zoo Crew members have enjoyed regularly visiting the Zoo with a total of 43,407 visits this year, an increase of two per cent over the previous year.

"I love the new paths and close contact with the animals. I loved the zoo staff paying attention to us and telling us about animals. I love the native plantings. There is so much to love!"

Zoo Crew Member

Connecting with our community

Media highlights

Our media profile helps us share our stories with the wider community. The palm oil campaign and Wild Ideas conservation symposium received great media coverage. These stories position Wellington Zoo at the forefront of the debate on the conservation of wildlife globally and allow us to connect with our community.

We are proud to be recognised for our conservation work with a number of media stories about the first-class care injured native animals receive at The Nest Te Kōhanga before release to the wild. Our new Kea walk-through experience received great coverage and media buzz.

Our animals featured prominently in the media as well. New arrivals the Cotton Top Tamarin twins were big news. We also had stories in five publications around New Zealand when Rokan the Sumatran Tiger died, showing the connection the wider community has with this critically endangered species.

Social media

As of 30 June, Wellington Zoo now has over 41,000 page likes on Facebook, more than 8,000 followers on Twitter and over 2,500 followers on Instagram. Our total reach on Facebook from 1 July 2016 to 30 June 2017 was 4,943,527 unique users.

Highlights for the year include a #KeeperCam video of a baby Chimp playing on a trampoline which reached over 200,000 people, and more than 6,000 people interacted with the post via reactions, commenting or sharing. This story had more than 8,000 impressions and over 1,000 engagements on Twitter as well.

Other highlights for the year included videos of Kea in the new walk-through experience, the Cotton Top Tamarin twins and Keeper Josh Forrest's interview with the NZ Herald about his conservation work with Red Panda in Nepal.

Website

The new website has been active for over a year now and we are continually improving the user experience. This year we added a search function to help website visitors more easily navigate to what they want. We also implemented online promo code functionality to let us have promotional offers that are easily redeemed online, as trialled with our Hurricanes promotion. To thank the community for their love and support this year we produced a Christmas video instead of a card and highlights document. The video was a version of our earlier 'Thank you Wellington' video showcasing our highlights for the 2015/16 year.

Volunteer support

We couldn't do our valuable work without the support of our dedicated Zoo volunteers.

We have a total of 50 volunteers - 15 Visitor Engagement volunteers, 23 Animal Care volunteers and 12 volunteers at The Nest Te Kōhanga.

Measure	Target	Status	✓
Volunteer engagement survey	1	1	✓

A volunteer survey completed in April shows that satisfaction with the new volunteer programme is high. Volunteers were satisfied with respect to the level of support and guidance they receive.

"I've really enjoyed being part of the primates team. The Keepers are all so friendly and appreciative of the tasks I do for them. My favourite tasks are doing the windows first thing as I get to see these amazing animals and interact with the visitors. I'm always excited for my volunteer days at the Zoo!"

Animal Care Volunteer

A volunteer category was added to our Gold Agouti Award celebrations to more effectively integrate volunteers into the Zoo's celebrations and ensure they feel valued. Our volunteers are kept up to date with what is happening at the Zoo through weekly newsletters.

Drive financial success

Running a 21st century zoo with a focus on conservation and community takes significant investment. We strive to exceed the expectations of our visitors and community, while ensuring that we uphold the highest standard of animal care.

Since becoming a charitable trust in 2003, we continually seek ways to increase our share of our operational costs. This year we generated direct revenue through visitation and Zoo products to cover approximately 57 per cent of these costs, and remain thankful for the generous support of principal funder Wellington City Council along with other partners and supporters. We are proud to achieve another clean audit this year and have met or exceeded 17 out of 21 key performance measures. Revenue from Close Encounters is also well ahead of budget and last year.

In addition to our operating grant from Wellington City Council, this table below shows our key earnings for this financial year.

Visitor admissions: **$2,891,472**

Fundraising for capital projects: **$301,983**

Zoo shop retail sales: **$422,626**

Operational sponsorship and grants: **$317,697**

Measure	Target	Status	✓
Percentage of operating costs generated by the Trust	55%	57%	✓
Ratio of Trust generated income as percentage of WCC grant	122%	131%	✓
Average income per visitor from Trust generated revenue	$15.94	$16.86	✓
Average WCC subsidy per visitor	$13.05	$12.86	✓
Full cost per visitor including WCC costs	$21.22	$23.20	✗

Retail

It has been another very successful year in retail sales with our annual target achieved a month ahead of schedule. Total revenue is $422,625 which is only the second time the Zoo shop has surpassed $400,000 in retail revenue, and is an increase of seven percent over target of $395,000.

A lot of work has gone into careful product selection with particular focus on Forestry Stewardship Council (FSC) certified and other environmentally friendly and conservation themed stock. Increased emphasis was placed on guiding suppliers to adopt and source FSC materials for our shop.

With such strong positioning in retail in innovation and sustainability, we made the decision to enter the NZ Top Shop Awards and have been named a finalist in the Innovation category.

Grants

This year we received several important grants that have allowed us to continue to lead the way, connect people with animals and help to save animals in the wild.

Pub Charity granted us $199,983 towards the upgrade of our perimeter fence which runs from Manchester Street along the Southern Walkway and beside our boundary with Melrose Park.

The Stout Trust contributed $25,000 and the Wellington Community Trust gave $15,000 towards the Living Room refurbishment.

The Lottery Grants Board Environment and Heritage Committee provided us with a grant of $62,000 towards our new Kea aviary and walk-through experience.

MBIE Curious Minds gave us $22,500 to support Wellington Zoo Bush Builders and the TG McCarthy Trust also gave us $10,000 to support this programme.

We have also received donations from both the J & A Mauger Charitable Trust and the Brian Whiteacre Trust to support native wildlife treatments in The Nest Te Kōhanga, and a grant from Wellington City Council's Waste Minimisation Fund for a Waste Audit.

Support from partners

Trade Me has been a partner of Wellington Zoo since 2010. Trade Me team members joined us as volunteers on both our Neighbours Night and Open Weekend.

Tip Top joined us to support the Unmask Palm Oil campaign. Tip Top set up a scoop ice cream freezer at the Tiger Habitat and sold Tiger Time ice cream for $2 with proceeds being donated to the Zoo. Tip Top also provided 1,500 ice blocks for guests on Neighbours Night.

Our Partnerships Team attended the Soft Plastics Recycling Launch in Wellington as guests of The Warehouse. At the launch Hon Dr Nick Smith presented Wellington Zoo with a park bench made of 16,000 recycled plastics bags. This park bench has been placed by the Living Room to further acknowledge our Zoofari partnership with The Warehouse.

Our significant new partnership with Frucor means their cold beverages are available in our Zoo café and at the Grazing Post, with a focus on low-sugar and sugar-free drinks.

Partners and Supporters

Brian Whiteacre Trust
Clemenger BBDO
ComplyWith
Curious Minds
DOT loves data
Frucor – Just Juice Splash
J & A Mauger Charitable Trust
Massey University
New Zealand Lottery Grants Board
NZ Coach Services
Pacific Radiology
Pub Charity
Stout Trust
The Holdsworth Charitable Trust
The Warehouse
T G McCarthy Trust
Think Turf
Tip Top
Trade Me
Umbrellar
Wellington City Council
Wellington Community Trust
Weta Digital

We continued our partnership with advertising agency Clemenger BBDO this year. They developed the materials for our Wild Ideas conservation symposium, as well as helping us promote our new Kea walk-through experience.

Local data shop DOT loves Data's attendance calculator was useful for our planning this year and we will work with them again in July on a new project.

Charities of Choice

Ronald McDonald House Wellington and Wellington Children's Hospital have both signed MOUs to formally recognise our ongoing support as our two charities of choice. We have been supplying transferable passes for use by both organisations for a number of years.

"A trip to the zoo can raise the spirits of a family who have a child in hospital or undergoing treatment. It breaks the monotony of 'hospital life' for the child and/or their siblings and provides some delightful distraction and positive memories of their hospital experience."

Tricia Martin, Wellington Children's Hospital

"The annual passes offer our families the chance to spend quality time together away from the hospital wards. Thank you Wellington Zoo Trust for helping us keep families close."

Nikki Thompson, Ronald McDonald House Charities

Learning and Research Partnerships

South Wellington Intermediate School (SWIS) and Wellington Zoo signed an MOU to formalise the school's ongoing involvement in our Bush Builders programme. This is a two year cyclic programme of hands-on learning, with full school participation one year and an advanced science class taking on a leadership role alternate years. SWIS and Wellington Zoo have formed a partnership with the intention of increasing the number of international students attending SWIS and the Zoo. We aim to provide exceptional experiences for them in Wellington thus creating long term economic and environmental benefits to the community and city.

As part of our ongoing commitment to work together for research and support, we have formalised our partnership with Victoria University of Wellington with the signing of a new MOU between our organisations. We will continue our collaboration with Victoria University with a focus on identifying opportunities for research, particularly in the areas of sustainability, environmental science, as well as animal care and welfare. Additional opportunities for the organisations to work together will include student placements and internship opportunities at Wellington Zoo, sharing equipment, data and use of facilities.

"We've worked closely with Wellington Zoo on a number of projects over the years, but there's so much more we can do with them in future. This agreement sets the foundation for these collaborations and we're looking forward to working together."

Professor Frazer Allan, Deputy Vice-Chancellor (Engagement) Victoria University of Wellington

A MOU was signed with Julie Whitburn, PhD Candidate at Victoria University who is conducting a longitudinal study with Zealandia and Wellington Zoo's Bush Builders schools with regard to connectedness to nature and its beneficial effects on human wellbeing and pro-environmental behaviour. A summary of her research findings will be accessible to the Zoo upon completion. This research has been approved by Victoria University Ethics Committee.

Strategy: **Lead the way**

Model sustainable behaviours

Measure	Target	Status	✓
Maintain carboNZero certification	Achieved	Achieved	✓

"Regaining carboNZero certification just goes to show that Wellington Zoo is committed to leading the way in sustainability."

Karen Fifield, Wellington Zoo Chief Executive and member of the Sustainable Business Council Advisory Board

We have gained carboNZero certification for the fifth year in a row. We've worked really hard to make some big changes that have reduced our environmental impact and are continuing to:

Reduce – our waste and our use of power and water.

Reuse – we compost and reuse building materials.

Recycle – our waste, rainwater, concrete, shop products.

Plant – thousands of native trees.

We always use forest-friendly wood and paper products that are FSC approved and sustainable.

carboNZero Cert TM
certified organisation

This year we received Waste Minimisation Seed Funding from Wellington City Council to help us understand the challenges around visitor waste and how our new waste sorting stations are working. We engaged the Sustainability Trust to undertake a waste audit of the visitor space of the Zoo. With the learning from the audit we have designed a waste game to help us engage visitors on how to use the waste stations. We hope to secure future funding to help us implement some of the other recommendations from the waste audit.

In June we were approved a grant from the Ministry for the Environment Waste Minimisation Fund towards a feasibility study to replace/upgrade our Composter which will be undertaken next financial year. This has been identified as an important sustainability project to increase the Zoo's capacity to compost more waste onsite and further reduce our waste to landfill emissions.

One of the latest new initiatives in our sustainability journey is the use of the Glutton, a type of electric outdoor vacuum, which is a more environmentally friendly cleaning method than using petrol-engine leaf blowers.

New ethical uniforms

We launched our new Zoo uniforms in December after teaming up with local ethical uniform company Little Yellow Bird.

Little Yellow Bird share the Zoo's commitment to making sustainable and ethical choices that are good for people and animals. Little Yellow Bird has a bigger mission than just making clothing - it aims to alleviate poverty in the region where its products are made. Each shirt can be traced to the individual who made it by the label, giving the Wellington Zoo team a personal connection to the people who have created their uniform.

Excellence in animal care

ZAA Accreditation

Wellington Zoo is recognised for excellence in animal welfare via Zoo and Aquarium Association Australasia (ZAA) Accreditation, after an audit in late 2015, which is valid for three years. Accreditation demonstrates the high level of animal welfare we have established at Wellington Zoo.

With a focus on going beyond neutral animal welfare states to reaching positive animal welfare states, the Accreditation Programme is a first for the zoo and aquarium community – showing that the standard for animal welfare is being assessed and regarded as a key success factor for a good zoo.

Our Animal Science team leads the way for animal welfare initiatives. Animal Science Manager Simon Eyre has again been appointed to the ZAA Accreditation Committee, returning to the role in May after an absence of 18 months.

"From behavioural enrichment through to expert veterinary care, our team are able to give our animals a really good life."

Simon Eyre, Animal Science Manager

Animal Welfare Committee

With external representatives from the National Animal Welfare Advisory Committee, Massey University, Wellington City Council, as well as Zoo staff, the Animal Welfare Committee ensures that the Zoo is positioned as a leader, advocate and authority on animal welfare best practice.

During the last year the Animal Welfare Committee reviewed a number of papers from Animal Care and Science staff. These included presentations on the free range eggs and chicken provided to the animals as food, learnings from the Zoo and Aquarium Association Accreditation programme, behavioural enrichment, and the social interaction and complexity within our Chimpanzee troop.

The committee visited an area of the Zoo at each meeting, including Hero HQ, Chimpanzees and the Kea walk-through experience. At these visits Animal Care staff explained to the committee how positive welfare outcomes are encouraged for the animals in our care.

Measure	Target	Status	✓
Maintain Zoo and Aquarium Association Animal Welfare Accreditation	Achieved	Achieved	✓

The Nest Te Kōhanga

The Veterinary Team at The Nest Te Kōhanga continue to uphold their outstanding reputation for excellence in animal care and native species conservation. The team welcomed two new veterinary residents from the Massey University Masterate Programme in Zoo Animal and Wildlife Health. Supported by the Holdsworth Charitable Trust, this world-leading partnership between Wellington Zoo and Massey University helps to build specialist veterinary capability for New Zealand.

Animal care improvements

Ongoing improvements in diets are being made with the arrival of Boskos specialist ruminant pellets from South Africa for our Nyala, Giraffe, Capybara and Kangaroo.

Refurbishment of the Monkey House for Spider Monkeys and Capuchins was completed in June, improving the care and welfare of these animals.

Training and enrichment committees

Animal Care Manager, Jo Richardson, is working alongside two committees composed of Keepers

and a Team Leader from each section, focused on animal training and animal enrichment. These committees ensure that animal training and enrichment are being conducted to a consistently high standard across the four sections of the Zoo.

Positive culture of professionalism and safety

Gold Agouti Awards

Our annual Gold Agouti Awards evening is an opportunity to recognise excellence and outstanding contributions made towards achieving the zoo's new strategy and living our values. In line with our new volunteer structure to more effectively integrate volunteers into the zoo, we incorporated their recognition evening into the Gold Agouti Awards celebrations.

Zoo values

Manaakitanga embodies what our collective values represent.

Mana represents concepts such as respect, strength, standing/position, inherent power, prestige, wisdom, credibility, experience, integrity, calm, quality and wisdom

Aki is about awakening, jolting, bringing to life, acknowledging mana

Tanga is about the process of making it happen

Living our values and the way we put them into action is about walking the talk and how we manaaki our guests when they come to our Zoo. Mana applies to people, animals and innate objects, everything has mana. Through manaaki we welcome, show our world and acknowledge the mana of others and through doing this we enhance our own mana and that of our people, animals and the environment.

Health and safety

Measure	Target	Status	✓
Health and Safety targets met	(Lag) ACC work levy discount applied (Lead)* Achieved	(Lag) Discount has been applied to Trust's work levies based on experience rating (Lead)* Achieved	✓

The role of Health and Safety Manager was introduced in August 2015 as part of our commitment to providing a healthy and safe working environment for everyone who works in the Zoo, and a safe and secure place for our visitors to enjoy.

Last year we trained 16 new First Aiders, 19 Fire Wardens and ran specialist training courses on erecting scaffolding, operating scissor lifts and driving tractors. Our Safety Improvement Team has implemented regular emergency drills to make sure our people are well trained and aware of their roles in an emergency. Our Board Members have also taken an active role in reviewing the Zoo's emergency procedures and identified areas for improvement.

The Zoo has achieved ACC accreditation through their Workplace Safety Management Practices programme in April for a further two years. We have also seen a significant increase in reporting statistics compared to the previous year – which demonstrates the positive culture of reporting and a desire from all staff to take responsibility for the wellbeing of our people and visitors.

Continued learning

Measure	Target	Status	✓
Initiatives to embed professional development of our people	≥ 8	13	✓

Learning Experience Manager, Sarah Morris, attended the Environmental Educators Association Australia Conference entitled Tomorrow Making, Our Present to the Future in Adelaide in October. Attendees discussed ways to work with schools and communities to build resilience and optimism, empowering them to positively change the world around them.

The Learning Experience Team attended Te Reo Māori workshops with kaiako Joan Costello, from Reo Tūhono on pronunciation, greetings and incorporating the Māori world view more seamlessly into our learning sessions.

Educators attended an expo Tūhono i te Ao - Where Science meets Māori and Pacific Culture aimed at boosting Māori and Pasifika science learning. This expo provided access to science, technology, engineering, art, maths and design topics through online video, audio, discussion forums and other resources designed to inspire and build confidence in potential tertiary students.

**The Health and Safety Lead indicator measure is the systems in place and training events provided to reduce the risk of a Health and Safety accident before one has occurred. This was achieved through staff reporting hazards and near misses, monthly Safety Improvement Team meetings, emergency drills and workshops that were held throughout the year.*

> **"I am impressed at the direction the LEOTC is heading especially with the inclusion of a Māori perspective at the Zoo in general and with the learning programmes - ka pai!"**
>
> *Dr Craig Rofe, Senior Lecturer Te Kura Māori Wellington College of Education at Victoria University*

Glenn Reddiex, Sales and Service Manager, attended the Museum Shops Association of Australia and New Zealand's Annual Conference in Melbourne in August. Many representatives from museums, zoos and other visitor attractions attended to discuss their retail experiences, successes and environmentally friendly values.

Staff learning sessions

Maud Island Frogs - June

Animal Interactions - July

Unmask Palm Oil - August

Jane Goodall Institute - September

Kea Research - October

Cushing Syndrome in Primates - October

Anatolian Guard Dog Project - November

Enrichment - November

Species Management Plan - February

Learning Session about Learning Sessions - March

'Be Confident' Accessibility Workshops - March

Sign Language - May

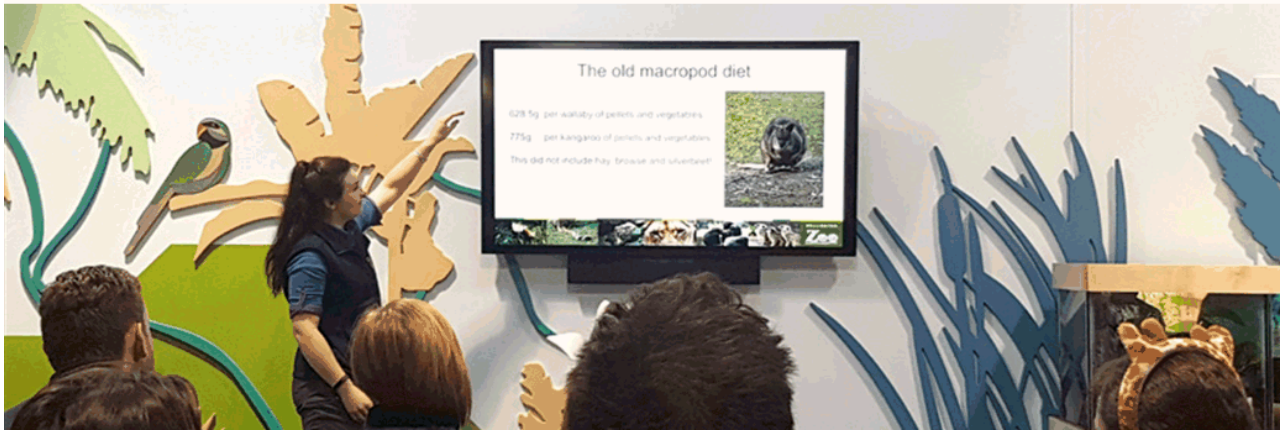
Diet Formulation and Keeper Rotation - June

The Outward Bound Community Partner Programme provided three staff members with a personal journey of discovery and opportunity to develop their resilience and inner and outer strength.

In July the Strategic Management Team and all Managers attended the last session from a series of four resilience workshops facilitated by Dr Sven Hansen.

Keeper progression

Following on from last year's realignment of Animal Care and the introduction of three levels of technical competencies, the first round of Keeper Progression was completed in September. Keepers are finalising their submissions for the second round of annual Keeper Grading, with assessments taking place in August 2017. The Keeper Progression process provides a dedicated focus on career and professional development, as well as recognition of different levels of skills, competence and expertise. This means Wellington Zoo can attract, develop and retain a mix of experienced keeping staff.



Staff turnover

Measure	Target	Status	✓
Staff turnover (permanent staff only)	≤18.5%	33.8%	✗

This year our turnover is higher than usual. Due to the end of the Zoo Capital Programme and changes to people's personal circumstances, some people have chosen to move on after 10 years or more at the Zoo. Many resignations have been from our younger demographic which is in line with research that indicates millennials typically stay two to three years in a role. We believe we have recruited some excellent new team members and we see this phase of our organisational life as renewal and preparatory for the future.

Staff leading the way

Chief Executive Karen Fifield has been made a Member of the New Zealand Order of Merit. Karen has been awarded her MNZM for services to business and animal welfare.

General Manager Community Engagement, Amy Hughes, has been appointed the acting Executive Director of the Zoo and Aquarium Association Australasia (ZAA) in Sydney for a period of five months while recruitment is undertaken for a permanent Executive Director.

Board member Sue Paterson was awarded Kiwibank Senior New Zealander of the Year in recognition of her commitment to arts and culture.

Senior Veterinarian Baukje Lenting is the Primary Veterinary Advisor for the NZ Fauna Veterinary Advisory Group.

Our Chief Executive sits on the ZAA Regional Board as Past President and the New Zealand representative. She also sits on the ZAA New Zealand Committee, the NZ IUCN Committee and Advisory Board of the Sustainable Business Council.

Sharing our expertise

Chief Executive

- Agcarm Annual Conference guest speaker
- Guest speaker at MPI verifications Conference (with Animal Science Manager)
- Guest speaker at AGM Rimutaka Forest Park
- WAZA Mexico, facilitated workshop on animal interactions
- Guest speaker at Government Regulatory Practice Initiative (G-REG) Conference (with Animal Science Manager)
- Guest speaker at MPI Verification Conference (with Animal Science Manager)
- Facilitated SBC Dinner discussion regarding expectations of government regarding NZ response to climate change
- Guest speaker at NZ Police Women's Network Conference
- Forest and Bird Climate and Conservation Conference presented keynote speech on global impact of Climate Change on species
- Chaired a session and workshop at WAZA-CZAW Conference in Detroit USA, the 4th International Animal Welfare Symposium
- Threatened Species Summit Wellington, presented on role of zoos for conservation of New Zealand threatened species
- WReNNZ Conference at ZEALANDIA, presented the work of Wellington Zoo and The Nest Te Kōhanga with The Nest Te Kōhanga Senior Veterinarian
- Otari Wilton's Bush AGM guest speaker
- Australasian Gambling Regulators Conference in Auckland, presented on cross-government regulation in zoos
- English Speaking Union guest speaker

Other Wellington Zoo Staff

- Veterinarian, Karina Argandona presented a Green Iguana mast cell tumours case study at The Australian and New Zealand College of Veterinary Scientists' Annual Science Week
- The injured bird community workshop presented by staff from The Nest Te Kōhanga
- Harmony Wallace and Jacqui Hooper presented talks about Diablo the Spider Monkey with Cushing's disease at the International Primatological Society Congress in Chicago, USA
- Baukje Lenting, Senior Veterinarian NZVA presented findings around microchips in Kākā at the Wildlife Society Conference
- General Manager Business and Partnerships, Daniel Warsaw, attended the annual Board Meeting of Madagascar Fauna and Flora Group (MFG) in Taipei
- Simon Eyre, Animal Science Manager, and Daniel Warsaw, General Manager Business and Partnerships, presented at the 2017 ZAA Conference and Workshops held on the Gold Coast, Australia. Amy Hughes, General Manager Community Engagement, also presented in her seconded capacity as Acting Executive Director of ZAA.

Awards

At the Resene NZILA Pride of Place 2017 Landscape Architecture Awards, Wellington Zoo and Isthmus Group Ltd won the Institutional category for Meet the Locals He Tuku Aroha. The judges said "Through a collaborative approach, a deep understanding of the site and the New Zealand context, a restrained design sensibility, high quality execution, and meticulous maintenance, the team behind Meet the Locals He Tuka Aroha have created a joyful experience that succeeds at every level through elements of play, interpretation and activity, skilfully integrated to enhance the experience."

"Meet the Locals He Tuka Aroha is a celebration of all things New Zealand and a wonderfully immersive experience for adults and children of all ages."

Landscape Architecture Award judges

Meet the Locals He Tuka Aroha also won Silver in the Tourism and Leisure Category of the New Zealand Building Projects Awards.

We are very proud to have been awarded Gold Standard rating by Be. Accessible, meaning that the Zoo's experiences are accessible to people with disabilities.

MOJO
COFFEE, NEVER A RATIONAL THING.
Welcome to

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Wellington Zoo Trust's financial statements and performance information for the year ended 30 June 2017

The Auditor-General is the auditor of Wellington Zoo Trust (the Trust). The Auditor-General has appointed me, Mari-Anne Williamson, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

Opinion

We have audited:

- the financial statements of the Trust on pages 51 to 71, that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 7 to 44.

In our opinion:

- the financial statements of the Trust on pages 51 to 71:
    - present fairly, in all material respects:
        - its financial position as at 30 June 2017; and
        - its financial performance and cash flows for the year then ended; and
    - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- the performance information of the Trust on pages 7 to 44 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2017.

Our audit was completed on 21 August 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

Basis for opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the financial statements and the performance information

The Board are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board are also responsible for preparing the performance information for the Trust.

The Board are responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Board are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Board's responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will

always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Trust's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and

whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board are responsible for the other information. The other information comprises the information included on pages 2 to 5, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1(Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.

Mari-Anne Williamson

Mari-Anne Williamson
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Compliance and Responsibility

For the year ended 30 June 2017

Compliance

The Board and management of the Wellington Zoo Trust confirm that all the statutory requirements of the Local Government Act 2002 regarding financial and operational management have been complied with.

Responsibility

The Board and management of the Wellington Zoo Trust accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting and performance information of the Wellington Zoo Trust.

In the opinion of the Board and management, the annual Financial Statements for the year ended 30 June 2017 fairly reflect the financial position, results of operations and service performance achievements of the Wellington Zoo Trust.

Craig Ellison
Chairperson

21 August 2017

Karen Fifield
Chief Executive

21 August 2017

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2017

	Note	Actual 2017 $000	Budget 2017 $000	Actual 2016 $000
REVENUE				
Grants and Operating Revenue	1	7,060	6,892	6,866
Finance Revenue		63	50	94
Operating Revenue		**7,123**	**6,942**	**6,960**
Capital Grants and Donations	1	302	-	241
TOTAL REVENUE		**7,425**	**6,942**	**7,201**
EXPENSE				
Operating Expense	2	7,052	6,921	6,636
Depreciation		11	21	14
Operating Expense		**7,063**	**6,942**	**6,650**
Vesting of Capital Grants and Donations	3	**998**	**-**	**167**
TOTAL EXPENSE		**8,061**	**6,942**	**6,817**
NET SURPLUS/(DEFICIT) before taxation		**(636)**	**-**	**384**
Income Tax Expense		-	-	-
NET SURPLUS/(DEFICIT) for the year		**(636)**	**-**	**384**
Other Comprehensive Revenue		-	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		**(636)**	**-**	**384**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2017

	Note	2017 $000	2016 $000
Equity Opening Balances			
Accumulated Comprehensive revenue and expense		333	318
Restricted Funds		1,993	1,624
Total Equity-Opening Balance		**2,326**	**1,942**
Comprehensive Revenue			
Surplus/(deficit) for the year to retained earnings	9,10	(636)	384
Total comprehensive revenue		(636)	384
Equity Closing Balances			
Accumulated Comprehensive revenue and expense		342	333
Restricted Funds		1,348	1,993
Total Equity-Closing Balance		**1,690**	**2,326**

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2017

	Note	Actual 2017 $000	Budget 2017 $000	Actual 2016 $000
ASSETS				
Current Assets				
Cash and cash equivalents	4	1,906	2,130	2,822
Investments		-	-	500
Trade and other receivables	5	1,920	60	416
Inventories		76	60	69
		3,902	**2,250**	**3,807**
Non-Current Assets				
Property, Plant and Equipment	6	24	25	35
Work in Progress	6	-	-	-
		24	**25**	**35**
TOTAL ASSETS		**3,926**	**2,275**	**3,842**
LIABILITIES				
Current Liabilities				
Trade,other payables and accruals	7	1,658	897	730
Revenue in Advance		123	200	136
Monies held in trust	7	153	-	292
Employee Benefits	8	302	224	346
		2,236	**1,321**	**1,504**
Non-Current Liabilities				
Employee Benefits	8	-	12	12
		-	**12**	**12**
TOTAL LIABILITIES		**2,236**	**1,333**	**1,516**
NET ASSETS		**1,690**	**942**	**2,326**
EQUITY				
Accumulated Comprehensive revenue and expense	9	342	318	333
Restricted Funds	10	1,348	624	1,993
TOTAL EQUITY		**1,690**	**942**	**2,326**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2017

	Note	Actual 2017 $000	Budget 2017 $000	Actual 2016 $000
Cash flows from operating activities				
Cash was provided from:				
Operating Revenue		5,675	6,524	7,108
Interest Received		63	50	94
Net GST Received		49	-	-
Cash was applied to:				
Payments to Suppliers and employees		(7,203)	(6,921)	(7,312)
Net GST Paid			-	(42)
Net cash inflow from operating activities		**(1,416)**	**(347)**	**(152)**
Cash flows from investing activities				
Cash was applied to:				
Purchase of property,plant and equipment		-	(800)	18
Receipt from sale of investments		500	-	-
Net cash (outflow) from investing activities		**500**	**(800)**	**18**
Net Increase/(Decrease) in Cash and cash equivalents held		**(916)**	**(1,147)**	**(134)**
Cash and cash equivalents at beginning of year		2,822	3,277	3,456
Cash and cash equivalents at end of year	4	**1,906**	**2,130**	**3,322**

The accompanying notes form part of these financial statements.

Statement of Accounting Policies

For the year ended 30 June 2017

Reporting Entity

The Wellington Zoo Trust (the Trust) is a charitable trust registered under the Charitable Trusts Act 1957 domiciled in New Zealand and is also a council-controlled organisation as defined under Section 6, Part 1 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees. The Trust was established on 1 July 2003 by the Wellington City Council.

The financial statements have been prepared in accordance with the requirements of the Charitable Trusts Act 1957 and section 69 of the Local Government Act 2002.

The Trust is reliant on the Wellington City Council (the Council) for the majority of its income and operates under a Contract for Services with the Council. The Contract for Services was negotiated for a period of five years to 30 June 2021. Ongoing funding for the Trust has been approved in the 2015/2025 Long Term Plan.

The primary objective of the Trust is to manage, administer, plan, develop, maintain, operate and promote the Wellington Zoo for the benefits of the inhabitants of Wellington and as an attraction to visitors to Wellington, not to make a financial return. Accordingly, the Trust has designated itself as a public benefit entity for the purposes of New Zealand PBE IPSAS

Under this framework, the Trust is eligible to apply the reduced disclosure regime (Tier 2 entity) of the Public Benefit Entity Accounting Standards.

The reporting period for these financial statements is for the year ended 30 June 2017. The financial statements were authorised for issue by the Board of Trustees on 21 August 2017.

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to PBE IPSAS and other applicable Financial Reporting Standards, as appropriate for Tier 2 public benefit entities.

Measurement Base

The measurement base applied is historical cost. The accrual basis of accounting has been used.

Functional and Presentation Currency

These financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless otherwise stated. As a result of rounding there may be slight discrepancies in subtotals.

Significant Accounting Policies

Critical Accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. The Trust has assessed the financial records and there are no significant critical accounting estimates. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Grants

Grants received from the Wellington City Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting it's objectives as specified in the trust deed. The Trust also receives other assistance for specific purposes, and these grants usually contain restrictions on their use.

Grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if the conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as revenue when the conditions of the grant are satisfied.

Revenue

Revenue comprises revenue from operating activities, investment revenue, grants and donations and other revenue and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Most of the services that the Trust provides for a fee are subsidised by grants therefore do not constitute an approximately equal exchange. Accordingly most of the Trust's revenue is categorised as non-exchange.

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Such revenue is recognised when control over the asset is obtained.

Interest

Interest revenue is recognised using the effective interest rate method.

Volunteer Services Recognition

The Trust benefits from the service of dedicated volunteers in the delivery of its activities. Due to the difficulty in determining the value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

Taxation

The Trust is registered as a Charitable Trust and is exempt from income tax under the Income Tax Act 2007. The Trust is not exempt from indirect tax legislation such as Goods and Services Tax and accordingly is required to comply with these regulations.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Debtors and other receivables

Debtor and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Cash and cash equivalents

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Investments

Term deposits are initially measured at the amount invested.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Inventory

Inventories are recorded at the lower of cost (determined on a first-in first-out basis) or net realisable value. This valuation includes allowances for slow moving and obsolete stock. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Property, Plant and Equipment

Recognition

Property, plant and equipment consist primarily of operational assets. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset. Costs that do not meet criteria for capitalisation are expensed.

The Trust also manages the construction and development of buildings, structures and enclosures on behalf of the Council. These assets are not recorded in the Trust's financial statements as ownership vests in the Council.

Measurement

Property, plant and equipment are valued at historical cost less accumulated depreciation and impairment losses.

The initial cost of property, plant and equipment includes the purchase consideration, and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use.

Disposal

Realised gains and losses arising from the disposal of property, plant and equipment are recognised in the

Statement of Comprehensive Revenue and Expense in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all assets owned by the Trust excluding assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the assets are as follows:

Plant

Audio Visual Equipment	3 years
Projector	5 years
Shade Sail	10 years
Hospital Equipment	10 years
Garden Furniture	10 years
Living Room Furniture	15 years
Endoscope	8 years

Furniture and Equipment

Composter	10 years
CCTV	3 years
Incubators	12.5 years

Work in Progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

Employee Benefits

A provision for employee benefits (holiday leave, long service leave, and retirement gratuities) is recognised as a liability when benefits are earned but not paid. The Trust recognises a liability and an expense for a one off payment where contractually obliged or where there is a past practice that has created a constructive obligation.

Short Term Employee Benefits

Holiday leave (annual leave, long service leave qualified for and time off in lieu) is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) & 16(4) of the Holidays Act 2003.

Long service leave (not yet qualified for) and retirement gratuities have been calculated on an actuarial

basis based on the likely future entitlements accruing to staff, after taking into account years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and other contractual entitlements information. The present value of the estimated future cash flows has been calculated using an inflation factor and a discount rate. The inflation rate used is the annual Consumer Price Index to 31 March prior to year end.

Other Contractual Entitlements

Other contractual entitlements include termination benefits. Termination benefits are recognised in the Statement of Financial Performance only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

Provisions

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Other Liabilities and Provisions

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation.

Contingent Assets and Liabilities

Contingent liabilities and contingent assets are disclosed in the notes to the financial statements. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

Animal Collection

In accordance with customary practice among Zoological organisations, animals are not recorded as there is no objective basis for establishing value. Additionally, animals have numerous attributes, including

species, age, sex, relationship and value to other animals, endangered status and breeding potential whereby it is impracticable to assign value. Expenditure related to animal acquisitions is expensed in the period of acquisition.

Equity

Equity is the residual interest in the Trust and is measured as the difference between total assets and total liabilities. The components of equity are accumulated surpluses and deficits and restricted funds (special funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use whether under statute or accepted as binding by the Trust because of the specific reason for which the funds were provided.

Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

Statement of Cash Flows

The statement of cash flows is prepared using the direct approach. Operating activities include cash received from all revenue sources of the Trust and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to transactions that change the equity and debt capital structure of the Trust.

Related Parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include Wellington City Council, key management personnel and the governing body (Trust Board).

Trustees' remuneration is any money, consideration or benefit received receivable or otherwise made available, directly or indirectly, to a trustee during the reporting period. The disclosures for the Trust include the remuneration of the Trustee board as they occupy the position of a member of the governing body of the Trust.

Changes to Accounting Policies

There have been no changes in accounting policies this year.

Notes to the Financial Statements

Note 1: Revenue

	2017 $000	2016 $000
Exchange Revenue		
Sale of Goods	423	403
Other Corporate income	97	113
Total Exchange Revenue	**520**	**516**
Non-Exchange Revenue		
Admissions	2,891	2,975
Other Revenue	124	127
Contractual Revenue		
Ministry of Education	82	82
Wellington City Council Operating Grant	3,125	2,894
Operating Grants and Donations		
Koala Trust		8
Classic Hits		3
Fonterra Brands	30	30
Brian Whiteacre Trust	10	5
Department of Conservation	-	9
TG McCarthy	10	-
General Donations	184	160
Trade Me	30	30
MBIE	23	-
Weta	20	20
JA Mauger Charitable Trust	6	3
GBC Winstone	3	4
Wellington City Council Waste Minimisation Fund	2	-
Operating Grants and Donations	**318**	**272**
Total Non-Exchange Operating Revenue , Grants and Donations	**6,540**	**6,350**
Capital Grants and Donations		
General Donations		54
Pub Charity	200	-
New Zealand Community Trust		80
Bequests	-	40
Stout Trust	25	-
Wellington Community Trust	15	-
Lotteries Trust Board	62	67
Infinity Foundation	-	-
Total Non-Exchange Capital Grants and Donations	**302**	**241**
Total Non-Exchange Revenue	**6,842**	**6,591**
Total Grants and Operating Revenue	**7,362**	**7,107**

Grants and Donations include grants and bequests received for capital and operational purposes of $619,680.These grants were received for specific purposes. This income is transferred from Retained Earnings to Restricted Funds until it is needed, refer to Note 10.

Note 2: Expense on operating activities

	Note	2017 $000	2016 $000
Marketing and Commercial costs		257	356
Auditor's remuneration:			
- Audit Services		26	22
Authorised entertainment		19	8
Consumables		443	377
Cost of goods sold		197	178
Other Costs		856	800
Insurance premiums		10	9
Materials and Services		258	272
Personnel costs		4,638	4,269
Trustee's remuneration	16	85	88
Utilities		263	257
		7,052	**6,636**

1. Personnel costs include costs such as salaries, wages, leave and other employee earned compensation.

2. Other costs include expenditure not separately disclosed, such as:
   - professional costs
   - travel
   - administration costs
   - animal collection costs
   - vehicle fleet costs
   - contracts

Note 3: Vesting of Capital Grants and Donations

This entry relates to the transfer of these funds to Wellington City Council. In line with the contract for services, this amount is paid on receipt of external sponsorship funding and donations as the Zoo contribution towards capital spend. The Zoo has transferred funds of $998K (2016: $167K) to Wellington City Council in line with our contribution towards capital spend for this year

Note 4: Cash and cash equivalents

	2017 $000	2016 $000
Bank Balances	1,901	1,418
Cash on hand	5	4
Short Term deposits	0	1,400
Total Cash and cash equivalents	**1,906**	**2,822**

Note 5: Trade and other receivables

	Note	2017 $000	2016 $000
Receivables (Gross)		127	119
Trade Receivables due from Wellington City Council	14	1,731	196
Less provision for impairment of trade receivables		-	-
Trade Receivables		1,858	315
GST Receivable		-	27
Prepayments		62	74
		62	101
Total Trade and other receivables		**1,920**	**416**
Trade Receivables comprises:			
Receivables from the sales of goods and services (exchange transactions)		1,844	88
Receivables from transfers (non-exchange transactions)		14	227
		1,858	**315**

Further information on the collectability of trade and other receivables is contained in Note 12: Financial Instruments. As at 30 June 2017, no Trade Receivables were assessed as impaired.

Note 6: Property, Plant and Equipment

	2017 $000	2016 $000
Operational Assets		
Plant		
Plant at cost – opening balance	48	48
Accumulated depreciation	(42)	(39)
Total Plant – opening balance	6	9
Depreciation Expense	(3)	(3)
Total plant – closing balance	**3**	**6**
Furniture and Equipment		
Furniture and Equipment at cost – opening balance	171	171
Accumulated Depreciation	(142)	(131)
Total Furniture and Equipment – opening balance	29	40
Depreciation Expense	(8)	(11)
Total Furniture and equipment – closing balance	21	29
Total Operational Assets	**24**	**35**
Work in progress		
Work in progress at cost – opening balance	-	18
Additions	7	49
Other	(7)	(67)
Capitalised to asset classes	-	-
Work in progress at cost – closing balance	**-**	**-**

Note 7: Trade, Other Payables, Accruals and Monies held in Trust

Payables under Exchange Transactions		
Exchange Payables and Accruals		
Trade Payables and Accruals	269	348
Trade Payables due to parent	1,189	213
Total Payables under Exchange Transactions	**1,458**	**561**
Non -Exchange Payables		
Taxes Payable (GST , PAYE)	200	169
Total Payables under Non-Exchange Transactions	**200**	**169**
Total Payables	**1,658**	**730**
Donations held in Trust	125	250
Regional Amenities Fund (administered on behalf of Wellington Regional Amenities Fund)	28	42
Total Monies held in Trust	**153**	**292**

Note 8: Employee Benefits

	2017 $000	2016 $000
Payroll Accruals	88	72
Holiday Leave	214	274
Retirement Gratuities	-	12
Total employee benefits	**302**	**358**
Represented by:		
Current	302	346
Non-current	-	12
Total employee benefits	**302**	**358**

The retirement gratuities liability is a contractual entitlement for a reducing number of employees who having qualified with 10 years' service will on retirement be entitled to a payment based on years of service and current salary. This entitlement has not been offered to new employees since 1991.

The gross retirement gratuities liability as at 30 June 2017 is NIL (2016:$12,344). The discount rate used for 2016 was 6.10%.

Note 9: Accumulated Surplus/ (Deficit)

	Note	2017 $000	2016 $000
Accumulated Surplus/Deficit			
Opening Balance		333	318
Net surplus/(deficit)		(636)	384
Transfers from restricted funds	10	1,274	371
Transfers to restricted funds	10	(629)	(740)
Accumulated Surplus/(Deficit)– closing balance		342	333
Total accumulated surplus/(deficit)		**342**	**333**

Note 10: Restricted Funds

	2017 $000	2016 $000
Trusts, Bequests and Capital Grants		
Opening Balance	1,222	866
Additional funds received	438	523
Funds utilised	(1,062)	(167)
Trusts,Bequests and Capital Grants – closing balance	**598**	**1,222**
Animal Transfers		
Opening Balance	500	637
Additional Operating Grants and Donations received	45	-
Transfers from Other Operating Revenue	-	-
Funds utilised	(45)	(137)
Animal Transfers – closing balance	**500**	**500**
Conservation Fund		
Opening Balance	271	121
Funds received	146	217
Funds utilised	(167)	(67)
Conservation Fund – closing balance	**250**	**271**
Opening Balance	1,993	1,624
Transfers from retained earnings	629	740
Transfers to retained earnings	(1,274)	(371)
Restricted Funds – closing balance	**1,348**	**1,993**

The Trust has accumulated funds of $100 contributed by Wellington City Council upon establishment of the Trust on 1 July 2003.

Restricted Funds: Purpose of each reserve

Trusts, Bequests and Capital Grants are monies received for a specific purpose.

Animal Transfer Reserve Fund is made up of money received specifically for the transfer of animals as well as money that the Trust has tagged from Other Operating Income to fund future animal transfers.

Conservation fund is made up of money received specifically to support field conservation.

Note 11: Financial Instruments

The Zoo's financial instrument categories include financial assets (cash and cash equivalents, loans and receivables and financial liabilities (payables that arise directly from operations and borrowings). The main purpose of the Zoo's financial instruments is to raise finance for the Zoo's operations.

Note 12: Commitments

The Trust had a commitment to Wellington City Council (the Council) relating to the Zoo Capital Plan, a 10 year capital programme totalling $20.881 million which commenced in 2006/07. The Council has approved a capital expenditure budget of $15.661 million towards the Zoo Capital Plan to be spent over the 10 year period, starting in 2006/07. This funding was contingent on the Trust generating external sponsorship funding of $5.221 million over the duration of the Zoo Capital Plan.

As at 30 June 2016, the Trust has transferred funds of $5.243 million to the Council and has completed the commitment for the Zoo Capital Plan. This Zoo Capital Plan has now been completed and therefore there are no capital commitments as at 30 June 2017.

The Trust had no operating lease commitments as at 30 June 2017. Payments due not later than one year Nil, payments due between one to two years Nil (2016:Nil).

Note 13: Contingencies

The Trust had no contingent liabilities as at 30 June 2017 (2016:Nil).

Note 14: Intra group transactions and balances

	2017 $000	2016 $000
Expenditure for services provided to the Zoo from WCC:		
Wellington City Council	1,101	842
	1,101	**842**
Revenue for services received by the Zoo from:		
Wellington City Council	3,130	2,898
	3,130	**2,898**
Current receivables owing to the Zoo from:		
Wellington City Council	1,731	196
	1,731	**196**
Current payables owing from the Zoo to:		
Wellington City Council	1,189	213
	1,189	**213**

Note 15: Related Party disclosures

Key Management Personnel Compensation

	2017 $000	2016 $000
Salaries and other short term employee benefits	928	923
Total Key Management Personnel Remuneration	**928**	**923**

Key management personnel include the Chief Executive, other senior management personnel and Trustees.

Trustee's Remunerations

Trustee's remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to a trustee.

The following people held office as trustees of the Zoo during the reporting period. The aggregate remuneration paid to the trustees during the year totalled $85,333 (2016:$88,000) and is disaggregated and classified as follows:

Trustee Remuneration	2017 $000	2016 $000
Craig Ellison (term as Board Chair started 1 January 2016)	32	24
Frances Russell (term finished 31 December 2016)	8	16
Linda Meade (term finished 30 June 2016)	-	16
Michael Potts (term started 1 September 2016)	13	-
Raewyn Bleakley (term started 1 December 2014)	16	16
Ross Martin (term finished 31 December 2016)	-	16
Sue Patterson (term started 1 July 2016)	16	-
Councillor Sarah Free (term started August 2014)	-	-
Total Trustee Remuneration	**85**	**88**

	2017	2016
Trustees		
Remuneration	$ 85,333	$ 88,000
Full-time equivalent members	4.33	4.50
Strategic Management Team		
Remuneration	$ 842,963	$ 835,115
Full-time equivalent members	5.92	6.00
Total Key Management Personnel Remuneration	**$ 928,296**	**$ 923,115**

Full time equivalent calculations for Trustees are based on number of months in employment and for the Chief Executive and other senior management personnel are based on 2,080 hours. Wellington City Councillors CCO Trust Board appointments are unpaid positions.

Related party transactions

During the year trustees and key management, as part of a normal customer relationship, were involved in minor transactions with the Trust.

The Trust receives a grant from the Wellington City Council under a Contract for Services. In addition, the Wellington City Council receives/(pays) amounts for the provision/(receipt) of other goods and services. These other transactions are conducted on an arms-length basis. The amounts owing to/from related party balances are disclosed in Note 15.

Funds received for services provided to the New Zealand Transport Agency in 2017 of Nil (2016:$3,005). Raewyn Bleakley who is a trustee of the Zoo is also the Governance, Stakeholders and Communications General Manager of The New Zealand Transport Agency.

The Trust also purchased services from the Zoo Aquarium Association (ZAA).These services cost $38,412 (2016:$ 44,241) and were supplied on normal commercial terms. There was an outstanding balance for unpaid invoices at year end of $5,216 (2016: Nil). Karen Fifield who is the Chief Executive of the Zoo was the President of ZAA until May 2015 and is currently Past President and New Zealand representative with voting rights.

The Trust also purchased services from Moana New Zealand. These services cost $350 (2016:$5,096) and were supplied on normal commercial terms. There was an outstanding balance for unpaid invoices at year end of $Nil (2016: Nil). Craig Ellison who is Chair of the Trust is also the Director of Aotearoa Fisheries.

The Trust also purchased services from Sustainable Business Council. These services cost $5,000 (2016:Nil) and were supplied on normal commercial terms. Karen Fifield who is the Chief Executive of the Zoo is a Board member of the Sustainable Business Council Advisory Board.

The Trust also purchased services from Maranui Surf Life Saving Club. These services cost $850 (2016:Nil) and were supplied on normal commercial terms. Frances Russell who was a Trustee of the Zoo is a life member and Treasurer for Maranui Surf Life saving Club.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2016:$Nil).

Note 16: Severance Payments

In accordance with the Schedule 10, section 19 of the Local Government Act 2002, the Zoo is required to disclose the number of employees who received severance payments during the year and the amount of each severance payment made.

Severance payments include any consideration (monetary and non-monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with the Trust. Severance payments exclude any final payment of salary, holiday pay and superannuation contributions.

For the year ended 30 June 2017, the Trust made one severance payment. $35,000. (2016:$27,072).

Note 17: Events after balance date

There were no significant events after balance date that affect the financial statements.

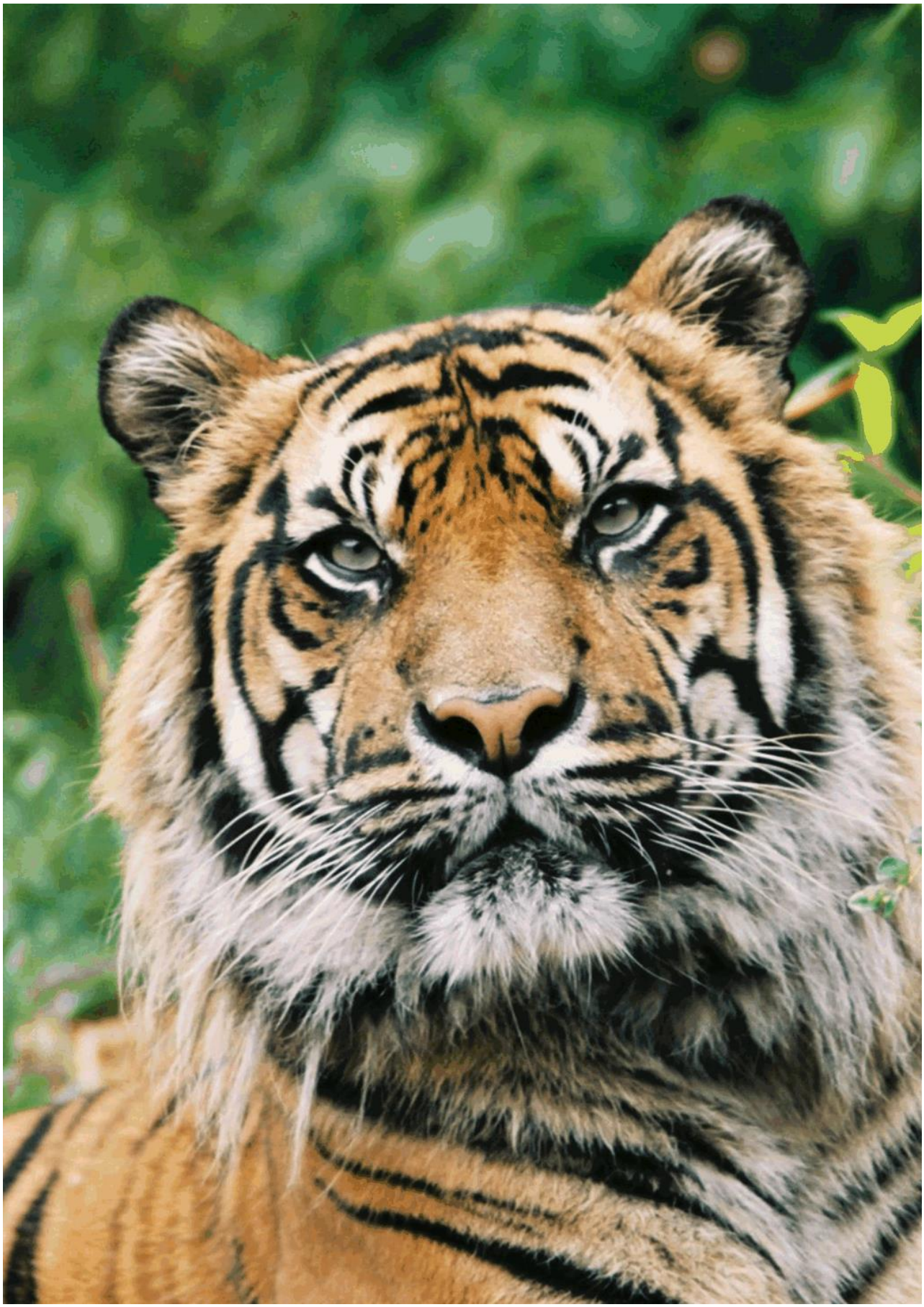
Trustees

(From left to right) **Michael Potts, Raewyn Bleakley, Councillor Sarah Free, Craig Ellison (Chair), Sue Paterson**

SMT

(From left to right) **Mauritz Basson, Megan Lyons*, Karen Fifield, Jo Ring, Susan Macdonald, Daniel Warsaw, Amy Hughes**

** Executive Assistant to Executive and Trust Board*



REVIEW OF QUARTER ONE REPORTS FOR THE COUNCIL CONTROLLED ORGANISATIONS FOR THE PERIOD ENDING 30 SEPTEMBER 2017

Purpose

1. This report provides the sub-committee with a review of the first quarter reports submitted by Council Controlled Organisations for consideration in accordance with the requirements of the Local Government Act 2002.

Recommendations

That the Council Controlled Organisations Subcommittee Sub-committee:

1. Receive the information.
2. Note any issues for the Chair to raise with the entities covered by this report.

Background

2. The sub-committee is tasked with monitoring the performance of the following entities:
    - Basin Reserve Trust
    - Karori Sanctuary Trust
    - Wellington Cable Car Limited
    - Wellington Museums Trust
    - Wellington Regional Economic Development Agency Limited
    - Wellington Regional Stadium Trust
    - Wellington Zoo Trust
3. Wellington Regional Economic Development Agency Ltd is jointly owned (80% / 20%) by the Wellington City Council and the Greater Wellington Regional Council respectively. In addition to the monitoring by this sub-committee, the stakeholders jointly monitor the company via the Wellington Regional Strategy Committee.
4. Wellington Water Limited is owned in equal (20%) shares with Greater Wellington Regional Council, Lower Hutt City Council, Porirua City Council and Upper Hutt City Council. The shareholders jointly monitor the company via the Wellington Water Committee.

Discussion

5. Quarterly reports have been received from the following entities for consideration by the sub-committee and are are attached as appendices:
    - Basin Reserve Trust
    - Karori Sanctuary Trust

- Wellington Cable Car Limited
- Wellington Museums Trust
- Wellington Regional Economic Development Agency Limited
- Welllington Zoo Trust

6. The first quarter reports have been reviewed by officers to assess any risks or issues and where any significant issues were identified these have been discussed with the relevant entity.

7. Representatives of the entities covered in this report will attend the sub-committee meeting to present the quarterly report and answer any questions from the sub-committee.

8. BASIN RESERVE TRUST

ACTIVITY SUMMARY
The three-month period under review is generally a period of planning and preparation for the upcoming summer and is typically the quietest period in terms of sport and other events held at the Basin Reserve. However, the Trust successfully encouraged use of the ground during the off-season with a range of junior sporting events and this has also helped with the early preparation of the ground for cricket training and pre-season matches.

Junior cricket field day at The Basin Reserve

The ground hosted 24 junior club rugby events held over 4 Saturdays during the winter (with 6 events per day). The ground was also used for 11 pre-season cricket training sessions and the first cricket match was held on 21st and 22nd September (which is the earliest anyone can remember cricket being played on the Basin Reserve). This appears to have helped the Wellington Firebirds as the have enjoyed some early season success over their rivals.

Quarter One generally provides a good opportunity for the Trust to address maintenance and renewal items ahead of the summer season with the usual general attention to graffiti and vandalism and water blasting the public areas. The ticket booths have been removed from the entrance gates at each end of the stand which has opened the ground up and provided improved public access.

The physical works projects are nearing completion (in time for the first test starting on 1 December) and the planning and design works are on track for the projects which are scheduled for the 2018 winter.

It was pleasing to see the refurbished RA Vance Stand host its first event recently, holding a conference for 140 delegates.

RA Vance Stand – Long Room

SUMMARY FINANCIALS

Variance (Actual minus Budget). ✔ *Favourable variance to budget* ✘ *Unfavourable variance to budget*

FINANCIAL PERFORMANCE ($000)	Budget Q1	**Actual Q1**	*Variance Q1*	Budget YTD	Actual YTD	Variance YTD	Budget FYE
Total Revenue	300	**273**	*27* ✘				911
Total Expenses	206	**173**	*33* ✔				863
Net Surplus (Loss)	94	**100**	*6* ✔				48
FINANCIAL POSITION							
Total Assets	913	**859**	*(54)* ✘				840
Total Liabilities	152	**167**	*(15)* ✘				125
Equity	761	**692**	*(69)* ✘				715
CASH FLOWS							
Total Net Cash Flows	133	**118**	*(15)* ✘				56
Opening Cash	24	**28**					24
Closing Cash	157	**146**					80

The Trusts financial position remains sound with equity of $692k including cash of $146k. The surplus for the first quarter was on budget at $100k.

KPI DASHBOARD *(The table contains a selection of KPIs and is not a complete list)*

✔ *Achieved* ✘ *Not Achieved. The 3 Year Trend = year on year performance* → *Steady* ↗ *Improving* ↘ *Declining*

MEASURE		Q1 30 Sep 16	**Q1 30 Sep 17**	3 Year Trend	Comments
Cricket events	Actual	0 ✔	**1** ✔	↗	One pre-season game this season in September
	Target	*0*	***0***		
Other sports events	Actual	5 ✘	**24** ✔	↗	The impact of hosting junior rugby.
	Target	*14*	***14***		
Community events	Actual	4 ✘	**4** ✔	→	
	Target	*8*	***0***		
Function bookings	Actual	6 ✔	**1** ✘	n/a	The RA Vance internal upgrade project has made this area unavailable for functions
	Target	*2*	***2***		
Practice facility usage days	Actual	13 ✔	**11** ✔	↗	
	Target	*0*	***0***		
Numbers attending events	Actual	790 ✔	**1200** ✔	↗	
	Target	*1000*	***1000***		

ISSUES & OUTLOOK

No issues to note.

The 2017/18 cricket season has confirmed a full programme as follows:

- West Indies Test Match – December 1 to 5
- Pakistan One-Day International– January 6
- Pakistan One-Day International– January 19
- 5 Plunket Shield Matches
- 4 Ford Trophy Matches
- 5 Burger King Super Smash Matches
- 1 Day of Women's Domestic Cricket
- Various community matches, covering club cricket, wanderers and charity fundraising events – approximately 10 matches

The Basin Reserve will also host a Beers at the Basin event on 9 December 2017, which will showcase some of the best craft breweries, local wineries, street food and music from the Wellington region.

9. KARORI SANCTUARY TRUST

ACTIVITY SUMMARY

Visitor numbers continued the upward trend: ZEALANDIA hosted 23,361 visitors in the first quarter, up from 22,899 in the same quarter last year. 1,896 people visited ZEALANDIA on a guided tour in Q1 this year, up from 734 people in Q1 last year and the Trust are now running both ZEALANDIA by Day and ZEALANDIA by Night tours seven days per week to meet visitor demand. Marketing is extending the shoulder season. A mid-winter GrabOne offer targeted at people living in Wellington sold over 5,000 entries.

ZEALANDIA is receiving a growing number of requests to host international visits, which have recently included the Right Honourable Boris Johnson MP, British Secretary of State for Foreign and Commonwealth Affairs, who visited Zealandia in July and attracted significant international press interest.

The Trust welcomed a breeding pair of takahē from Mana Island. The Sanctuary to Sea project is now well established and involves over 30 community groups collaborating to restore the Kaiwharawhara catchment. Wellington City Council, Wellington Water and Greater Wellington Regional Council are actively involved and the Strategy Group met in September.

Underscoring its achievements in conservation and restoration, ZEALANDIA are finalists in the Sustainable Business Network Awards under the Restoring Nature category (Sponsored by Department of Conservation). ZEALANDIA has been re-certified as carboNZero, confirming its strong sustainability credentials.

The Trust is engaging with Wellington City Council and its Long Term Planning teams with regard to the Trust's capital development needs to address space constraints for volunteers and staff.

SUMMARY FINANCIALS

** Variance (Actual minus Budget).* ✔ *Favourable variance to budget* ✘ *Unfavourable variance to budget*

FINANCIAL PERFORMANCE ($000)	Budget Q1	**Actual Q1**	*Variance Q1*	Budget YTD	Actual YTD	*Variance YTD*	Budget FYE
Total Revenue	1,125	**1,258**	*133* ✔				4,815
Op. Exp. before Depn & Int.	1,326	**1,361**	*35* ✘				4,487
Earnings before Depn & Int.	(201)	**(103)**	*98* ✔				329
Net Surplus (Loss)	(392)	**(286)**	*106* ✔				(245)
FINANCIAL POSITION							
Total Assets	6,330	**4,593**	*1,737* ✘				5,883
Total Liabilities	1,071	**1,003**	*68* ✔				643
Equity	5,258	**3,590**	*1,668* ✘				5,239
CASH FLOWS							
Total Net Cash Flows	0	**57**	*57* ✔				12
Opening Cash	709	**1,412**					709
Closing Cash	709	**1,469**					721

The positive variances to budget reflect improvements in the efficiency of the trading activities and the higher than forecast visits to Zealandia. This is a very good performance given that Q1 is generally the 'low season' for Zealandia. Higher than expected admissions and tours revenue along

SUMMARY FINANCIALS

with better than expected café sales have helped deliver this Q1 result.

KPI DASHBOARD *(The table contains a selection of KPIs and is not a complete list)*

✔ *Achieved* ✘ *Not Achieved. The 3 Year Trend = year on year performance* → *Steady* ↗ *Improving* ↘ *Declining*

MEASURE		*Q1 30 Sep 16*	***Q1 30 Sep 17***	*3 Year Trend*	*Comments on trend*
Full costs to Council*	Total	$475k	**$377k**	n/a*	Council's costs not controlled by the Trust.
	$/visit	*$20.77*	***$16.13***		
Visitors	Actual	22,899 ✔	**23,361** ✔	↗	Strongly improving trend.
	Target	*13,496*	***13,914***		
Students & education visits	Actual	2,259 ✔	**2,613** ✔	↗	Steadily improving trend.
	Target	*1,818*	***1,850***		
Annual measures to 30 Jun 18 The Trust reports quarterly					
Council grant ($/visit)	Actual	$9.55	**$8.94**	↗	This metric continues to improve.
	Target	*$9.35*	***$9.07***		
Average revenue** ($/visit)	Actual	$24.73	**$25.56**	↗	
	Target	*$25.96*	***$26.22***		
Non-Council funding	Actual	$70,751	**$43,643**	↗	
	Target	*$250,000*	***$265,000***		
Individual members	Actual	10,752	**11,090**	↗	Above target and on an improving trend.
	Target	*10,400*	***10,600***		

** Council operating grant plus property related costs. This measure is owned by Council and includes costs which the Trust does not control. ** Revenue per visit excludes interest, Council and government grants.*

ZEALANDIA is a leading eco-tourism destination for Wellington and maintains a top 5 tourism destination rating by Tripadvisor. Visitor numbers continue their upward trend – ZEALANDIA hosted 23,361 visitors in the first quarter, up from 22,899 in the same quarter last year.

This summer Wellington is expecting 82 cruise ships in port and advance bookings from cruise ship companies are up 10% on last year.

The Council subsidy per visit, at $8.94 this quarter, is tracking slightly below the annual target.

The average revenue per visit, at $25.56, is tracking just below its annual target but Q1 is not seasonally representative and expected to meet the full year target of $26.22 by the year end.

ISSUES & OUTLOOK
The Trust is working with Council with regard to ZEALANDIA's immediate and future investment needs in the context of the Council's 2018-28 Long Term Plan. A primary focus is the accommodation for staff and volunteers which does not support the current demands of the Trust. As an interim solution, the Trust has plans to relocate the Cricket Wellington office building from the Basin Reserve to a site on Waiapu Road. The Trust's more strategic and long term accommodation needs will be considered as part of the Council's LTP.

10. WELLINGTON CABLE CAR LIMITED

ACTIVITY SUMMARY

During the first quarter, the company undertook its annual maintenance shut-down of the Cable Car and continued to work with Council in relation to some Cable Car Lane remedial work.

The company continued its detailed planning for decommissioning the overhead network during the quarter and works to decommission the network began on time on 1 November 2017. A small section of the network was decommissioned in October 2017.

The Company remained busy with requests for UFB attachments to the network by Chorus as part of the rollout of fibre optic connections within the Wellington City urban area.

An agreement was concluded and executed in relation to pole user charges for a large telecommunications utility on the overhead pole network which has been under negotiation for some time (more than 2 years).

Wellington City Council has directed that the pole network will be retained within the WCC group, which means that the pole network with either be retained by the Company or transferred to Wellington City Council – yet to be decided.

The Traction Services operating division has recently provided assistance with rail overhead network replacements adjacent to the new Petone to Melling cycle way. The Company is also providing support to a consortium bidding for the complete replacement of the Wellington to Upper Hutt electrical network on behalf of KiwiRail.

SUMMARY FINANCIALS

** Variance (Actual minus Budget).* ✔ *Favourable variance to budget* ✘ *Unfavourable variance to budget*

FINANCIAL PERFORMANCE ($000)	Budget Q1	**Actual Q1**	*Variance Q1*	Budget	Actual	Variance	Budget FYE
Total Revenue	$2,717	**$1,667**	*$1,049* ✘				$9,072
Total Expenditure	$2,815	**$1,729**	*1,086* ✔				$8,798
Net Surplus (Loss) after tax	($98)	**($62)**	*$37* ✔				$273
FINANCIAL POSITION							
Total Assets		**$11,731**					
Total Liabilities		**$2,068**					
Equity		**$9,663**					
CASH FLOWS							
Total Net Cash Flows		**($123)**					
Opening Cash		**$2,556**					
Closing Cash		**$2,433**					

The after tax loss for the quarter was $62k against a forecast loss of $98k. The main driver for the $37k positive variance was the Cable Car division with revenue exceeding budget by $87k which was partially offset by additional maintenance costs of $38k and operational costs of $29k.

In the overhead network division, operating costs were below budget due to the timing of the decommissioning expenditure being incurred.

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KPI DASHBOARD *(The table contains a selection of KPIs and is not a complete list)*

✔ *Achieved* ✘ *Not Achieved. The 3 Year Trend = year on year performance* → *Steady* ↗ *Improving* ↘ *Declining*

The table contains a selection of KPIs and measures and is not a complete list.

MEASURE		Q1 30 Sep 16	**Q1 30 Sep 17**	3 Year Trend	Comments
Passenger trips	Actual	107,020 ✘	**190,600** ✘	→	Passenger numbers are relatively steady.
	Target	149,815	**206,367**		
Fare income	Actual	210,316 ✘	**577,441** ✔	↗	The trend for fare income and average fare per passenger is improving.
	Target	*344,493*	***490,792***		

The company's performance against budget in the first quarter has been influenced by the annual maintenance shutdown of the Cable Car which was originally planned to take place in the 2016/17 year and now takes 2-3 days longer than used to be the case before the Electric Drive upgrade project.

ISSUES & OUTLOOK

No issues to note.

The Company is planning for the future funding of the company and Cable Car capital replacements and will work with Council's 2018-28 LTP processes to ensure appropriate funding is planned.

The decommissioning of the overhead network on 1 November 2017 (as planned) and is expected to be completed by 31 December 2018.

11. WELLINGTON MUSEUMS TRUST

ACTIVITY SUMMARY

The 2017/18 Q1 total visitation of 175,141 was almost 50,000 more visitors than at the same period in 2016/17 (126,336) and is the result of stronger than budgeted visitation at City Gallery, Capital E, Space Place and Nairn Street Cottage during the quarter.

Strategic Projects Progress

- Curatorial research on identifying specific future high value contemporary art projects for City Gallery as a follow up to the *Cindy Sherman* exhibition is now underway.
- Scoping exercises for both Wellington Museum and the Cable Car Museum buildings have been commissioned and are expected to be completed with rough orders of cost provided in Q2.
- Future E (the future of Capital E) which includes a review of core offerings and associated accommodation needs has begun.
- The Terms of Reference for the review of the Space Place operating model were confirmed and the review commenced.
- After the quarter end, construction for the City Gallery Wellington entrance and foyer upgrade commenced. City Gallery will be closed to the public between 20 November 2017 and 2 March 2018.

Performance Highlights

- The Capital E National Theatre for Children's production of Hinepau in Te Reo Māori, in partnership with Taki Rua, toured kura, marae and schools drawing an audience of over 17,000 children, their teachers and caregivers.
- The two winning films in the Roxy5 Short Film Competition were re-shot with industry professionals mentoring the students; Page to Stage a pilot radio drama scriptwriting project resulted in six works written by children and recorded by professional actors.
- Wellington Museum presented Troubled Waters, a costume created from used bicycle tyres by Wellington artist Michaela Manley which featured in WOW 2016 in The Attic to coincide with WOW and the October school holidays.
- With the Orrery display moved at Space Place a new interpretation has been created featuring a backlit display What The Eyes Can't See.
- After Hours at Wellington Museum with Christchurch based musician Delaney Davidson was very popular with nearly 300 people attending.
- Far From Frozen was a success with Space Place visitation and revenue increasing through the July school holidays.
- Space Place's new robots programme debuted at the end of term two and has been a blast for participating students and it is becoming a big draw card for early secondary school groups.
- City Gallery Wellington opened a new suite of exhibitions during August: Occulture: The Dark Arts which is a group show of over 60 works by New Zealand and international artists and John Stezaker: Lost World and Colonial Sugar: Jasmine Togo Brisby and Tracey Moffatt.
- Tai Ahiahi///Tai Awatea Curating Māori Contemporary Art Symposium (7-8 September) was held in the Adam Auditorium and attended by more than 80 curators, artists, academics, writers and students.

SUMMARY FINANCIALS

** Variance (Actual minus Budget).* ✔ *Favourable variance to budget* ✘ *Unfavourable variance to budget*

FINANCIAL PERFORMANCE ($000)	Budget Q1	**Actual Q1**	*Variance Q1*	Budget YTD	**Actual YTD**	*Variance YTD*	Budget FYE
WELLINGTON MUSEUMS TRUST (EXCL. SPACE PLACE)^							
Revenue	2,872	**2,710**	*162* ✘				10,955
Opex before Depreciation	3,034	**2,736**	*298* ✔				10,556
Depreciation	100	**137**	*37* ✘				399
Net Surplus (Loss)	(262)	**(163)**	*99* ✔				0
SPACE PLACE^							
Revenue	239	**225**	*14* ✘				956
Opex	268	**254**	*14* ✔				1,086
Net Surplus (Loss)	(31)	**(33)**	*2* ✘				(130)
FINANCIAL POSITION							
Total Assets	5,780	**8,221**	*2,681* ✔				5,680
Total Liabilities	1,073	**3,904**	*2,800* ✘				1,073
Equity	4,607	**4,318**	*(125)* ✘				4,607
CASH FLOWS							
Total Net Cash Flows	240	**2,237**	*2,663* ✔				(185)
Opening Cash	640	**873**					1,065
Closing Cash	880	**3,110**					880

^ The SOI reports the Financial Performance for both Space Place and Wellington Museums Trust (excluding Space Place) separately.

Aside from minor variances to budget, mostly related to timing differences, Experience Wellington is largely on budget after the first quarter.

KPI DASHBOARD *(The table contains a selection of KPIs and is not a complete list)*

✔ *Achieved* ✘ *Not Achieved. The 3 Year Trend = year on year performance* → *Steady* ↗ *Improving* ↘ *Declining*

MEASURE		Q1 30 Sep 16	**Q1 30 Sep 17**	3 Year Trend	Comments
Full costs to Council*	Total	$2.3m	**$2.3m**	n/a	Council's costs not controlled by the Trust.
	$/visit	$17.98	**$13.06**		
Council grant ($/visit)	Actual	$16.79 ✘	**$9.98** ✔	↗	Visitation well above target during Q1 has contributed to this lower Council subsidy per visit.
	Target	*$10.45*	***$10.85***		
Average spend/visit	Actual	$2.22 ✘	**$2.56**	→	Average spend per visit is relatively flat across all institutions.
	Target	*$3.52*	***n/a***		

KPI DASHBOARD *(The table contains a selection of KPIs and is not a complete list)*

MEASURE		Q1 30 Sep 16	**Q1 30 Sep 17**	3 Year Trend	Comments
Total visits	Actual	126,336 ✓	**175,141** ✓	↗	Trend of steady growth in total visitor numbers.
	Target	*118,900*	***169,600***		
Cable Car	Actual	26,993 ✗	**38,998** ✗	→	Tracking better than the same period last year and is expected to grow during school holidays and the cruise ship season.
	Target	*35,200*	***55,200***		
City Gallery	Actual	41,553 ✓	**57,911** ✓	↗	Venue Hire and high attendance at public programmes has contributed to the Q1 visitation result.
	Target	*36,000*	***45,000***		
Capital E	Actual	17,646 ✓	**37,774** ✓	↗	Strong attendance at the Hannah Playhouse.
	Target	*13,650*	***27,500***		
Wellington Museum	Actual	28,848 ✓	**25,675** ✗	→	Wellington Museum will see numbers improve due to the October school holidays and moving in to the Cruise Ship Season.
	Target	*23,000*	***30,000***		
Space Place	Actual	10,888 ✓	**14,135** ✓	↗	Tracking well against target and better than for the same period last year.
	Target	*10,764*	***11,500***		
Nairn Street Cottage	Actual	408 ✓	**648** ✓	↗	Tracking well against target and better than the same period last year.
	Target	*286*	***400***		

** Council operating grant plus property related cost (including rental grant paid for Capital E). This measure is required by Council and includes property costs which the Trust does not control.*

ISSUES & OUTLOOK

No issues to note.

City Gallery will be closed from Monday 20 November 2017 through until Friday 2 March 2018 to carry out the refurbishment of the building's foyer and entrance which will make it more accessible for visitors and enhance its connection with Civic Square. During this period the City Gallery Shop will remain open and accessible via a door on the Harris Street side of the building.

12. WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED

EXECUTIVE SUMMARY

WREDA had a solid Quarter 1, highlights included;

Business Growth and Innovation

- Continuing work reinforcing Wellington as a student city is seeing strong results, numbers up 9% on the previous year.
- Development with Creative HQ on Venture Up Wellington, a scale up programme and a city hack event (an event to create digital solutions to problems)
- LookSee named winner of the Economic Development NZ inaugural Innovation Award
- Worked with GWRC to facilitate a successful skills workshop on the future of work and life-long learning
- Creative HQ has 18 start ups for high growth and incubation

Venues

- Appointed a new panel of caterers, using the opportunity to increase the focus and use of the Wellington region produced food and beverage product.
- World of Wearable Arts commenced its season.
- Hosted Lion's supporters' village and gala dinner for over 4,000 international supporters.
- In conjunction with marketing team, rolled out new LIVE in WLG eDM and will include seasonal event videos.
- Marketing began for Cirkopolis (a blend of circus, dance & theatre), the first joint venture with the assistance of new ticketing agent Ticketmaster.

Destination Development

- Regional Trails Framework approved by Councils' Chief Executives and the Mayoral Forum, to provide a consistent Trails experience for all.
- Working with Porirua City Council re the Colonial Knob "Adventure Park"

Destination & Marketing

- Results for our winter campaign in Australia – "*Welly like a local*" show a 14% increase of followers across target markets on our social channels, reaching over 4.5m people
- Australian spring campaign – "*Discover Wellington, NZ's creative heart*"
- Partnered with Air NZ on a tactical sales campaign for trans-Tasman bookings
- Domestic talent attraction campaign ' "*Why Wellington? It's personal*" performed above expectations
- Hosted 20 famils with incoming media including Asian journalists with a screen focus and Australian/NZ media for WOW.
- Corporate PR promoted WREDA programmes and interests
- Visitors to WellingtonNZ.com are spending longer on the site and looking at more pages per visit
- A busy travel trade marketing quarter – in market training in India and Singapore and many inbound famils

Partnerships & Events

- Business Events Wellington team – 6 successful international bids, with projected economic value of $3.8m and 3 domestic events, with a projected value of $1.8m
- Major Event Activation for Beervana, Wellington on a Plate, British & Irish Lions test, opening of the World of Wearable Art Award's show season
- Presented to the GWRC Ara Tahi Committee, outlining the activity of WREDA to tangata whenua from across the region

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SUMMARY FINANCIALS

** Variance (Actual minus Budget).* ✔ *Favourable variance to budget* ✘ *Unfavourable variance to budget*

FINANCIAL PERFORMANCE ($000)	Budget Q1	**Actual Q1**	*Variance Q1*	Budget YTD	Actual YTD	*Variance YTD*	Budget FYE
Total Revenue	8,653	**8,113**	*540* ✘				29,473
Total Expenses	8,254	**7,275**	*979* ✔				29,426
Net Surplus (Loss)	399	**838**	*439* ✔				47
FINANCIAL POSITION							
Total Assets	4,776	**5,820**	*1,044* ✔				3,902
Total Liabilities	1,442	**3,375**	*1,933* ✘				2,383
Equity	3,334	**2,444**	*890* ✘				1,519
CASH FLOWS							
Total Net Cash Flows	916	**1,362**	*446* ✔				16,947
Opening Cash	1,602	**1,707**					1,602
Closing Cash	2,518	**3,069**					1,618

A solid start to the financial year. The decreases in revenue and expenditure compared with budget are only timing differences. Year end results are still expected to be achieved.

KPI DASHBOARD (The table contains a selection of KPIs and is not a complete list)

✔ *Achieved* ✘ *Not Achieved.* → *Steady* ↗ *Improving* ↘ *Declining*

MEASURE		Q1 30 Sep 16	Q1 30 Sep 17	Trend	Comments
Net Migration gain	Actual	n/a	1099	↗	On track to achieving this
	Target	*n/a*	*1100*		
Commercial guest nights	Actual	663,303	Not received	↗	
	Target	*650,000*	*700,000*		
Visitor spend (International)	Actual	n/a	$0.16b ✔	↗	On track to achieving this
	Target	*n/a*	*$0.16b*		
Visitor spend (Domestic)	Actual	n/a	$0.38b	↗	On track to achieving this
	Target	*n/a*	*$0.4b*		
Interns placed in priority sectors	Actual	n/a	102 ✔	↗	Tracking ahead of target
	Target	*n/a*	*50*		
Wellington employment growth	Actual	n/a	2.5%	↗	On track to achieving this
	Target	*n/a*	*2.7%*		
Value of Business Events	Actual	n/a	*$5.6m* ✔	↗	Tracking ahead of target
	Target	*n/a*	*$3.75m*		
Number of International bids	Actual	n/a	8 ✔	↗	Tracking ahead of target
	Target	*n/a*	*5*		
Total Event attendance	Actual	n/a	116,344	↗	On track to achieving this

KPI DASHBOARD (The table contains a selection of KPIs and is not a complete list)				
	Target	*n/a*	*120,000*	

Sources: Stats New Zealand, MBIE, Internal

13. WELLINGTON ZOO TRUST

ACTIVITY SUMMARY

Wellington Zoo had 42,538 visitors during the first quarter of the financial year. This is 7,065 below the Trusts Q1 target and 9,096 behind the same period last year. The cause is largely attributed to the very wet weather during the quarter. However, overall visitor numbers are expected to pick-up during the remainder of the year.

Pub Charity approved a $500,000 grant for redevelopment work on the Chimpanzee Park. This grant will contribute to both animal welfare improvements in the Park, and an improvement to visitor engagement.

The Wellington Zoo Conservation Fund continues to grow and helps the Zoo to save animals in the wild. The Zoo has recently developed a new relationship with the West Coast Penguin Trust The annual Wellington Zoo Conservation Fund Grants, which support members of the Zoo team to visit and help conservation partners to save animals in the wild, were approved in August. This financial year the successful projects are:

- West Coast Penguin Trust, Haast and Milford Sound (Phil Wisker)
- Fauna and Flora International, Vietnam (Ash Howell)
- Proyecto Titi, Colombia (Maxine Jenkins)
- Cheetah Outreach, South Africa (Mauritz Basson)
- Giraffe Conservation Foundation, Namibia (April McMurtrie)

Dr Jane Goodall's visit to Wellington Zoo in late June was successful with over 200 attending the launch of Wellington Zoo's Rangatahi Programme - a JGI Roots & Shoots initiative engaging young people with their local environment. The Zoo deepened its commitment to the Jane Goodall Institute NZ, including hosting the JGI NZ office at Wellington Zoo.

The Zoo has retained its Qualmark Enviro Gold certification in the Sustainable Tourism category and was National Runner Up in the Innovation Category of the national NZ Retail Top Shop Awards held on 7 September.

Zoo staff continued the three year planting programme at the Town Belt site near Manchester Street and planted 500 hundred native trees and shrubs during August (a total of 3,250 to date). This Habitat Restoration programme will make it an improved habitat for birds, reptiles and insects.

SUMMARY FINANCIALS

** Variance (Actual minus Budget).* ✔ *Favourable variance to budget* ✘ *Unfavourable variance to budget*

FINANCIAL PERFORMANCE ($000)	Budget Q1	**Actual Q1**	*Variance Q1*	Budget YTD	Actual YTD	Variance YTD	Budget FYE
Total Revenue	1,703	**2,108**	*461* ✔				7,218
Total Expenses	1,800	**1,744**	*76* ✔				7,218
Net Surplus (Loss)	(97)	**364**	*537* ✔				0
FINANCIAL POSITION							
Total Assets	2,116	**4,255**	*1,093* ✔				2,116
Total Liabilities	1,161	**2,194**	*213* ✘				1,161
Equity	955	**2,061**	*880* ✔				955
CASH FLOWS							
Total Net Cash Flows	(1,315)	**1,942**	*1,292* ✔				(388)

SUMMARY FINANCIALS

Opening Cash	3,299	**1,906**		2,372
Closing Cash	1,984	**3,848**		1,984

The Trust is on budget for the quarter.

KPI DASHBOARD *(The table contains a selection of KPIs and is not a complete list)*

✓ *Achieved* ✗ *Not Achieved. The 3 Year Trend = year on year performance* → *Steady* ↗ *Improving* ↘ *Declining*

MEASURE		Q1 30 Sep 16	**Q1 30 Sep 17**	3 Year Trend	Comments
Full costs to Council*	Total	$1.2m	**$1.3m**	n/a	Measure controlled by Council. Trend data not available.
	$/visit	$23.54	**$30.69**		
Visitors	Actual	51,652 ✓	**42,536** ✗	↗	The overall trend shows growing visitor numbers to the Zoo.
	Target	*48,313*	***49,603***		
Annual measures to 30 Jun 18 **The Trust reports quarterly**					
Council grant ($/visit)	Actual	$14.35 ✗	**$19.04** ✗	→	Q1 not seasonally representative. Below targets but trend steady.
	Target	*$13.05*	***$13.39***		
Zoo School (LEOTC)	Actual	2,759	**2,495**	→	
	Target	10,000	**10,500**		
Average revenue/visitor (excl. Council grant)	Actual	$18.19 ✓	**$18.75** ✓	↗	Showing steady growth in revenue per visitor.
	Target	*$15.94*	***$16.26***		
Trust generated income as % Council grant	Actual	127% ✓	**98%** ✗	↗	Annual target and Q1 not seasonally representative. Expect to meet full year.
	Target	*122%*	***120%***		
Number of vulnerable or endangered species	Actual	26 ✓	**27** ✓	→	
	Target	*26*	***27***		

** Council operating grant plus property related costs. This measure is required by Council and includes property costs which the Trust does not control.*

Q1 is not seasonally representative. Visitation was below target for the quarter due largely to the unseasonably wet weather which impacts the trust's visitation based metrics.

ISSUES & OUTLOOK

No issues to note.

Attachments

Item 2.2

Attachment 1.	Basin Reserve Q1 Report	Page 400
Attachment 2.	Karori Sanctuary Trust Q1 Report	Page 414
Attachment 3.	Wellington Cable Car Q1 Report	Page 433
Attachment 4.	Wellington Museums Trust Q1 Report	Page 441
Attachment 5.	WREDA Q1 Report	Page 452
Attachment 6.	Wellington Zoo Trust Q1 Report	Page 472

Authors	Warwick Hayes, Project Manager Economic & Commercial Barry Turfrey, Economic Development Unit
Authoriser	Danny McComb, Manager Economic & Commercial

SUPPORTING INFORMATION

Engagement and Consultation
Not applicable.

Treaty of Waitangi considerations
Not applicable.

Financial implications
The CCOs work within the confines of the Council's overall Long Term Plan and Annual Plan framework.

Policy and legislative implications
Not relevant.

Risks / legal
Not relevant.

Climate Change impact and considerations
The CCOs work with the Council and other organisations as part of considering environmental sustainability in their operations, including with the Council's Our Living City programme.

Communications Plan
Officers will incorporate feedback from the Committee into the Letters of Expectation that will be sent to the chair of the relevant CCO.

Health and Safety Impact considered
Not relevant.

BASIN RESERVE TRUST REPORT

2016-17

Prepared for Wellington City Council

For the 1st Quarter 2016-17

Signed _____

Date _____

Rugby Street, Mt Cook, Wellington
PO Box 578, Wellington 6140
www.basinreserve.co.nz

1. OVERVIEW

The three month period under review is generally a period of planning and preparation for the upcoming summer.

The Trust has been active as follows:

1.1 Trust Meetings

The Trustees met twice in the 1st quarter of 2016/17, on July 7 and September 9

1.2 Audit 2016

The Trust's audit was completed by Audit NZ in September 2016, with no issues highlighted.

1.3 Master Plan

The Trust continues to work with Council and architects Tennent-Brown in progressing the vision of the Masterplan, as approved in the 2015/16 LTTP process. The Trust is supportive of the inclusive engagement process delivered by Tennent-Brown, and believes that they are now well placed to present a comprehensive and well thought out plan for the Basin's future development.

1.4 RA Vance Stand Deferred Maintenance Project

Phase Two of the Master Plan is currently underway – that being deferred maintenance of the RA Vance Stand. While the overall Master Plan is still undergoing development, work on the RA Vance Stand was seen as both urgent and unlikely to change as a result of the wider design work. The primary focus of the work to date has been the Stand's exterior, and the principal contractors, Naylor-Love, have been very good at keeping to the agreed deadlines. While the Stand is currently wrapped in scaffold, this is expected to start coming down by late November. Unfortunately not all aspects are able to be addressed before the Bangladesh Test Match in mid-January, so the new seating will be installed in February ahead of the South Africa Test in mid-March. The works to refurbish the Norwood Room, the Long Room and Kitchen will also need to fit in with the test matches with Bangladesh and South Africa.

1.5 Cricket Programme

The 2016-17 cricket season is now confirmed and contains the following:

- Bangladesh Test Match – January 12 to 16
- South Africa Test Match – March 16 to 20
- 4 Plunket Shield Matches
- 4 Ford Trophy Matches
- 4 Georgie Pie Super Smash Matches
- 1 Basin Blast T20 – Wellington vs Melbourne Stars
- 4 Days of Women's Domestic Cricket
- Various community matches, covering club cricket, wanderers and charity fundraising events – approximately 10 matches

1.6 Winery Tour Concert

The Basin Reserve is now confirmed to host the Wellington leg of the Winery Concert Tour on 11 February 2017. It should be noted that this date coincides with a Preliminary Final of the Ford Trophy and the Women's Domestic Finals. In the case of the Wellington Firebirds, they will need to play away if they earn the right to host this particular preliminary final. The Wellington Blaze will host at Karori Park if they likewise earn the right to host.

1.7 New Basin Reserve Logo and Website

With Wellington City Council significantly investing in the future of the Basin Reserve, the Basin Reserve Trust is pleased to unveil a new logo and website; www.basinreserve.co.nz. The Trust felt that the time was right to start showcasing the ground as it moves into a new era. The Basin Reserve website is now live and includes details on the ground's history, upcoming events, and the Master Plan redevelopment process. Over the coming months, further content will be added, capturing the rich history of the ground and its future improvements.

The new logo represents the iconic features of the ground through the distinctive roof-line of the RA Vance Stand and the white picket fence that surrounds the playing surface. These elements are recognised by Wellingtonians and cricket fans around the world as markers of the historic reserve which first hosted a cricket match in 1868.

1.8 General Renewals and Maintenance

Quarter One generally provides a good opportunity for the Trust to address maintenance and renewal items ahead of the summer season. As such, the following items have been addressed:

- Repair of sewerage drains behind the RA Vance Stand
- Removal of perimeter fence behind the RA Vance Stand
- Repair of perimeter fence in various areas
- Replacement of information signage
- Full prune of Pohutukawa trees
- Full painting of the picket fences
- Installation of groundsmans sand bay
- Waterblasting of all public areas
- General attention to graffiti and vandalism

2. OPERATIONS

2.1 Performance Analysis

Events

- ***5 Club Rugby Events***
- ***4 Football Trainings***
- ***6 Functions***
- ***13 Cricket Trainings***

2.2 Performance Measures

The actuals against budget are attached.

3. FINANCIAL REPORT

Financial accounts are attached.

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

Income	Actual	Budget	Variance	Annual Budget
Grant Income				
Grant Wellington City Council	253,469	252,285	1,184	604,050
Grant Other	3,208	-	3,208	-
	256,677	252,285	4,392	604,050
Ground Hire Income				
Ground Hire International Cricket	-	-	-	70,000
Ground Hire Domestic Cricket	-	-	-	64,000
Ground Hire Winter Sports	2,500	5,000	(2,500)	5,000
Ground Hire Other Events	10,000	9,000	1,000	10,000
	12,500	14,000	(1,500)	149,000
Other Income				
Concession Income	2,545	3,000	(455)	16,000
Signage	-	-	-	50,000
Screen Hireage	-	-	-	-
Donations	-	-	-	-
Picket Fence Income	-	-	-	-
Miscellaneous Income	25,457	-	25,457	-
	28,002	3,000	25,002	66,000
Interest Income				
Interest Income	367	1,400	(1,033)	3,500
Total Income	297,546	270,685	26,861	822,550
Expenditure				
Building Expenses				
Repairs & Maintenance	4,255	5,000	745	20,000
Cleaning	-	250	250	1,000
Electrical Services	331	1,500	1,169	7,000
Fire System	1,934	1,500	(434)	6,000
Painting	-	500	500	2,000
Pest Control	-	750	750	3,000
Plumbing	-	-	-	2,500
Other	-	100	100	500
	6,520	9,600	3,080	42,000

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	Actual	Budget	Variance	Annual Budget
Ground Expenses				
Electrical Services	-	250	250	1,000
Equipment Hire	174	-	(174)	3,500
Cleaning	120	-	(120)	-
Irrigation	-	-	-	500
Painting	736	2,000	1,264	16,000
Plumbing	19,692	1,500	(18,192)	11,000
Rubbish Removal	899	2,000	1,101	13,000
Ground Structures	27,708	7,500	(20,208)	35,000
Turf	82,000	82,110	110	273,700
Karori Park Operation Contribution	-	-	-	10,000
	131,329	95,360	(35,969)	363,700
Occupancy Expenses				
Gas	1,896	2,000	104	8,000
Electricty	6,220	5,750	(470)	23,000
Rates	7,720	7,125	(595)	28,500
Security	2,831	3,000	169	12,000
Telephones	678	800	122	3,300
Water Rates	2,090	7,000	4,910	32,000
Television	2,765	-	(2,765)	3,000
Insurance	7,950	6,500	(1,450)	7,400
Consumables Laundry & Toilet	113	2,250	2,137	13,600
	32,263	34,425	2,162	130,800
Event Running Expenses				
Event Running	1,324	1,500	176	60,000
Casual Staff	165	-	(165)	5,000
	1,489	1,500	11	65,000
Administration Expenses				
Audit	-	-	-	13,000
Accounting	3,000	3,000	-	12,000
Bank Fees	60	30	(30)	125
Consultants	-	-	-	15,000
Management Fee	17,000	17,000	-	68,000
	20,060	20,030	(30)	108,125
Other Expenses				
Bad Debts	-	-	-	-
Capital Contributions	-	-	-	-
Interest Expense	-	-	-	-
Marketing	-	-	-	15,000
Miscellaneous	22	500	478	2,000
Picket Fence Expenses	-	-	-	-
	22	500	478	17,000

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	Actual	Budget	Variance	Annual Budget
Depreciation Expense				
Depreciation Expense	24,581	21,750	(2,831)	87,000
	24,581	21,750	(2,831)	87,000
Total Expenditure	216,264	183,165	(33,099)	813,625
Net Surplus (Deficit) for the Period	81,282	87,520	(6,238)	8,925

BASIN RESERVE TRUST
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	Actual	Budget	Variance	Annual Budget
Net surplus (deficit) for the period	81,282	87,520	(6,238)	8,925
Total Recognised Income and Expense	81,282	87,520	(6,238)	8,925
Equity at beginning of year	660,108	756,987	(96,879)	756,987
Equity at End of Period	741,390	844,507	(103,117)	765,912

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

Assets	Actual	Budget	Variance	Annual Budget
Current Assets				
Bank accounts and cash	217,552	138,857	78,695	76,342
Debtors and prepayments	142,728	172,500	(29,772)	185,600
Total Current Assets	360,280	311,357	48,923	261,942
Non-Current Assets				
Property, plant and equipment	603,124	711,740	(108,616)	646,490
Total Non-Current Assets	603,124	711,740	(108,616)	646,490
Total Assets	**963,404**	**1,023,097**	**(59,693)**	**908,432**
Liabilities				
Current Liabilities				
Creditors and accrued expenses	141,814	178,590	36,776	142,520
Unearned income	80,200	-	(80,200)	-
Total Current Liabilities	222,014	178,590	(43,424)	142,520
Total Liabilities	**222,014**	**178,590**	**(43,424)**	**142,520**
Total Assets less Total Liabilities	**741,390**	**844,507**	**(103,117)**	**765,912**
Trust Equity				
Contributed capital	100	100	-	100
Accumulated surpluses	741,290	844,407	(103,117)	765,812
Total Trust Equity	**741,390**	**844,507**	**(103,117)**	**765,912**

BASIN RESERVE TRUST
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	Actual	Budget	Variance	Annual Budget
Cash Flows from Operating Activities				
Receipts of council funding	275,761	203,865	71,896	544,050
Receipts of grants other	2,873	-	2,873	-
Receipts from sale of goods and services	29,024	15,100	13,924	175,000
Interest receipts	367	1,400	(1,033)	3,500
Payments to suppliers and employees	(215,442)	(158,850)	(56,592)	(675,800)
GST (net)	(1,164)	12,150	(13,314)	(35,600)
Net Cash Flows from Operating Activities	91,419	73,665	17,754	11,150
Cash Flows from Investing and Financing Activities				
Receipts from unearned revenue	40,000	-	40,000	
Payments to acquire property, plant and equipment	(23,312)	-	(23,312)	-
Net Cash Flows from Investing and Financing Activities	16,688	-	16,688	-
Net Increase/(Decrease) in Cash for the Year	108,107	73,665	34,442	11,150
Add opening bank accounts and cash	109,445	65,192	44,253	65,192
Closing Bank Accounts and Cash	**217,552**	**138,857**	**78,695**	**76,342**

BASIN RESERVE TRUST
CAPITAL EXPENDITURE
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	Actual	Budget	Variance	Annual Budget
Cast Bronze Plaque	6,408	-	(6,408)	-
Practice Wicket Installation	23,088	-	(23,088)	-
	29,496	-	(29,496)	-

BASIN RESERVE TRUST
CASH FLOW PROJECTION
AS AT 30 SEPTEMBER 2016

Current Assets	
Bank accounts and cash	217,552
Debtors	142,728
	360,280
To Be Applied As Follows:	
Creditors and accrued expenses	141,814
Unearned income	80,200
	222,014
	138,266
Commitments	
Karori Park Operation Contribution 2016/17	(10,000)
Turf Management 2016/17	(30,000)
	(40,000)
Funds Available (Deficit)	**98,266**

BASIN RESERVE TRUST (INCORPORATED)
MANAGEMENT ACCOUNTS COMMENTARY
FOR THE PERIOD ENDED 30 SEPTEMBER 2016
VARIANCES EXCEEDING $5,000

Income

1. Miscellaneous Income - The sale of the LED Screen wasn't budgeted for $25,300.

Expenditure

1. Ground Plumbing - Didn't budget for the major works carried out at the rear of the R A Vance Stand $18,000.

2. Ground Structures - Didn't budget for the following major works:

- Repalced damaged spouting on North & South Gate Houses	3,500
- Repairs to fence at rear of R A Vance Stand	4,500
- Remove unsuitable materials around North Toilet Block	3,700
- Lay asphalt at rear of R A Vance Stand	3,100
- Demolish exterior fence and build retaining wall at rear of R A Vance Stand	6,700
	$ 21,500

Item 2.2 Attachment 1

BASIN RESERVE TRUST (INCORPORATED)
EXPENDITURE OVER $7,500 REQUIRING
TRUSTEES APPROVAL TO 30 SEPTEMBER 2016

Date	Supplier	Amount	Work Performed
26/07/16	Cricket Wellington	9,110.09	Re-imburse for various expenses
26/07/16	Wellington Regional Stadium Trust	73,297.15	Turf Management for quarter ended 30 June 2016
19/08/16	Mexted Performance Sports Surfaces	20,000.00	Practice wicket installation
19/08/16	Shopspec Projects	16,739.01	Repairs to ground structures
19/08/16	Wellington City Council	7,720.03	Rates No. 1 2016/17
26/09/16	Audit New Zealance	13,100.00	Audit Fee for the Y/E 30 June 2016
26/09/16	Grant Plumbing	17,889.43	Plumbing repairs

BASIN RESERVE TRUST
PERFORMANCE MEASURES AND TARGETS
2016-17

Measure	Frequency	Measurement	Actual Q1 2017	Budget Q1 2017	Variance Q1 2017	Actual YTD 2017	Budget YTD 2017	Variance YTD 2017	Budget FY 2017	Actual Q1 2016
Administrative Measures										
Achieve targets within allocated budgets	Annual	Budget forecasts are met	-							
Comply with financial, technical and regulatory standards	Quarterly	Council reports submitted within stated timeframes	Achieved							
Asset Management Plan carried out	Quarterly	Planned maintenance activities effected within budget	Achieved							
Operating Measures										
Number of events	Quarterly									
- cricket (incl minimum of 1 test match pa)		Cricket matches (incl minimum of 1 test match)	0	0	0	0	0	0	25	0
- other sports		Sports events	5	14	-9	5	14	-9	22	18
- community		Other events	4	8	-4	4	8	-4	12	10
- function		Function bookings	6	2	4	6	2	4	15	n/a
Number of event days	Quarterly									
- cricket		Cricket days	0	0	0	0	0	-11	38	0
- other sports		Sports days	3	14	-11	3	14	-11	22	18
- community		Other days	4	8	-4	4	8	-4	12	10
- function		Function Days	8	2	6	8	2	6	15	n/a
Numbers attending events	Quarterly	Attendance figures	790	1000	-210	790	1000	-210	31000	900
Practice facility usage	Quarterly	Cricket use	13	0	13	13	0	13	85	1
Hirer satisfaction with venue and events	Quarterly	Positive formal feedback received	Unmeasured							
Playing surface to be maintained to an international standard	Annual	Based upon NZC and ICC feedback	-							
Operational Grant per attendance	Quarterly	Grant per attendance							$12.27	
Financial measures										
Results within budget	Annual		-							
Capital expenditure – within budget	Annual		-							
Event income	Annual	$	-						$149,000	
Business Plan developed	Annual	Submission of Business Plan	-							

Item 2.2 Attachment 2

ZEALANDIA
TE MĀRA A TĀNE

Report to the Wellington City Council CCO Performance Committee
First Quarter ended 30 September 2017

LIVING WITH NATURE

A PLACE THAT TREASURES
HE WĀHI TAONGA

A PLACE THAT ENGAGES
HE WĀHI HUIHUINGA

A PLACE FOR LEARNING
HE WĀHI MĀTAURANGA

A PLACE THAT EMPOWERS
HE WĀHI WHAKAMANA

Highlights

- We are receiving a growing number of requests to host international visits including the Right Honourable Boris Johnson MP, British Secretary of State for Foreign and Commonwealth Affairs, who visited Zealandia in July and attracted significant international press interest.
- We welcomed a breeding pair of takahē from Mana Island, and hope this summer to see the first chicks ever produced in an urban sanctuary
- Visitor numbers continue their upward trend: we hosted 23,361 visitors in the first quarter, up from 22,899 in the same quarter last year

"It's a 200 million-year-old life form! Absolutely beautiful,"
Quote from Boris Johnson describing a tuatara

- Our marketing is extending the shoulder season. A mid-winter GrabOne offer targeted at people living in Wellington sold over 5,000 entries
- We aim to connect and inspire people to action. 1,896 people visited ZEALANDIA on a guided tour in Q1 this year, up from 734 people in Q1 last year. We are now running both ZEALANDIA by Day and ZEALANDIA by Night tours seven days per week to meet visitor demand.
- We have been successfully re-certified as carboNZero, confirming our strong sustainability credentials
- Our Sanctuary to Sea project is now well established and involves over 30 community groups collaborating to restore the Kaiwharawhara catchment. WCC, Wellington Water and Greater Wellington are actively involved and the Strategy Group met in September.
- We progressed our Capital Development Plan to address our significant space constraints for education groups, researchers, volunteers and staff.
- Underscoring our achievements in conservation and restoration, we are finalists in the Sustainable Business Network Awards under the Restoring Nature category (Sponsored by Department of Conservation)

WORKING WITH PARTNERS

A PLACE THAT ENGAGES
HE WĀHI HUIHUINGA

Wellington City Council (WCC)

WCC is a key partner in our emerging Sanctuary to Sea project, which has a 100-year vision to restore the Kaiwharawhara catchment. We had our first meeting of the newly established Strategy Group for this project in September, WCC will have a significant role in the development and implementation of this project which will establish Wellington as leader in urban catchment restoration.

Myrtle rust is a fungal infection that affects many species of tree. It is new to New Zealand, and is causing great concern as it could have a serious impact on important species for conservation in Wellington. We are pleased to be supporting the work of Karin Van der Walt at the Wellington Botanical Gardens who is taking steps to conserve swamp maire. Our sanctuary valley has the most significant remnant population of the species in the Wellington region, and we are monitoring flowering and fruiting to allow seed collection by Wellington Botanical Gardens.

Swamp maire (Syzygium maire) in flower.

We have also been working closely with James Preston (WCC) and the Wellington Botanical Gardens to establish a myrtle rust monitoring program to detect infestation in the sanctuary. We are focusing our monitoring on ramarama, Northern rātā, swamp maire and manuka. Myrtle rust will be monitored every two weeks during the summer and once a month during the rest of the year

Victoria University Wellington

The first quarter is always busy as we begin to identify student projects for those completing Masters or other degrees at VUW. We are looking at a busy summer, with ZEALANDIA supporting three Summer Scholars and several smaller student projects.

One of the particularly interesting projects that is now coming to an end has been undertaken by a group of students in James Quilty's Engineering 301 class. This group of emerging software designers has been turning the ZEALANDIA trading card game into a unique app, which will allow young people to learn about New Zealand biodiversity in a fun and exciting way in their own homes. It will also decrease the amount of cards that need to be printed which is a win for sustainability.

While we have a number of students and academics engaged with the sanctuary, of particular note is Dr Rachael Shaw who has a long-term relationship with ZEALANDIA. This year Dr Shaw received the prestigious Rutherford Fellowship which provides her with support for 5-years of research. Dr Shaw's work will be focussing on kākā intelligence, but she continues to have an integral interest in many other elements of the sanctuary biodiversity.

National and global influence

We hosted the Right Hon. Boris Johnson, UK Foreign Secretary during his visit to New Zealand in July. His tour with Conservation Minister Maggie Barry had a particular focus on threatened species and was covered widely by national and international media.

We also hosted in July the Associate Conservation Minister Nicky Wagner and Environment Minister Dr Nick Smith who launched the *Mātauranga Whakauka Taio – Environment Education for Sustainability Strategy*. The strategy is aimed at equipping young people with the knowledge, skills and motivation to tackle environmental issues.

We are showing a growing leadership role in sanctuary conservation by beginning research that aims to develop best practice for biosecurity. This research is being conducted by the Manager Conservation and Research (Dr Danielle Shanahan), and will engage sanctuaries from across New Zealand. This role adds

to our previous leadership in this space, particularly through attendance and presentations given at the Sanctuaries of New Zealand conferences, run by Landcare Research.

We are also continuing to work closely with the Department of Conservation (DOC) and other organisations to grow our network of influence and our impact on biodiversity conservation in New Zealand. For example, we worked closely with DOC to identify and develop a plan for transferring additional ambassador takahe to ZEALANDIA – a plan which has come to fruition with the arrival of Nio and Orbell.

VISITOR EXPERIENCE

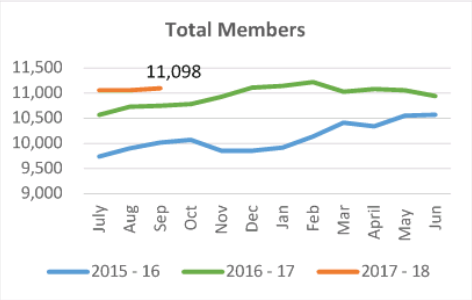
A PLACE THAT ENGAGES
HE WĀHI HUIHUINGA

ZEALANDIA is a leading eco-tourism destination for Wellington. We continue to be rated as at top 5 tourism destination by Tripadvisor and as a result our visitor numbers continue their upward trend – we hosted 23,361 visitors in the first quarter, up from 22,899 in the same quarter last year.

Our marketing is extending our shoulder season. A mid-winter GrabOne promotion targeting people living in Wellington sold over 5,000 entries. The additional visitors coming to ZEALANDIA as a result of the GrabOne promotion also lead to some very busy days in the café with turnover on a sunny winter day approaching that the high season.

We are preparing to connect more visitors with nature through to up and coming cruise ship season and summer high season. This summer Wellington is expecting 82 cruise ships in port and our advance bookings from cruise ship companies are up 10% on last year. We will increase the number of tours available at ZEALANDIA during the summer season, to connect more of our walk-in international tourists to ZEALANDIA's conservation and restoration achievements during their visit.

Membership



Tours

Our tours aim to connect people with nature and inspire people to action. 1,896 people visited ZEALANDIA on a guided tour in Q1, up from 734 people in the same time last year. We are now running both ZEALANDIA by Day and ZEALANDIA by Night tours seven days a week in order to meet visitor demand.

Paid Admissions by visitor origin

Region	Visit Numbers	%
Local	4,970	42%
Rest of North Island	2,036	17%
South Island	885	8%
Australia	1,010	9%
Asia Pacific	624	5%
Europe	1,560	13%
United States & Canada	671	6%
Rest of the World	279	2%
Total	**12,035**	

Visitor Comments – enjoyed most

"Imagine a biodiversity reserve adjacent to the capital city of a country. ZEALANDIA is that place. Teeming with birdlife and feels a million miles from the city centre only a few km away." (Trip Advisor)

"A lovely spot surrounded by magical bird song and quite a few different tracks. Hard to believe you are so close to the city !" (Trip Advisor)

"I was so surprised to see so many birds content to be close to humans. We did a longer rougher walk and saw so many of the rare species right by the track." (Trip Advisor)

EVENTS & VISITORS

A PLACE THAT ENGAGES
HE WĀHI HUIHUINGA

We are actively working with partner organisations to make the Sanctuary accessible to all. In September 2017, Alzheimers Wellington held their annual memory walk at ZEALANDIA. The day was attended by nearly 300 people who received free entry into ZEALANDIA.

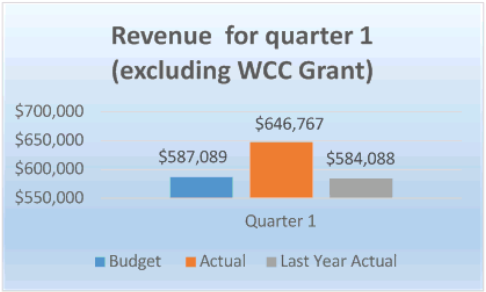
FINANCIAL SUSTAINABILITY

A PLACE THAT TREASURES
HE WĀHI TAONGA

Retail
Retail sales totaled $52,187, up 11% on last year's first quarter

Café and Functions
Café and Functions revenue totalled $208,488 tracking on budget for the year to-date. Rata café continues to provide a unique offering for the Western suburbs with many using Rata café as a meeting place for friends, business meetings or a meal out.

Revenue
Overall, revenue performance (excluding the main WCC grant) is $646,767 against a budget of $587,089. Revenue year to-date is $62,679 higher than last year at the end of quarter one.



Operating Surplus (Deficit)
The quarter one year to-date result for Operating Surplus (Deficit) before Depreciation is tracking favourably by $50,755 mainly due to better than expected Café sales of $21,789 and Admissions revenue of $32,459.

STRATEGY & GOVERNANCE

A PLACE THAT TREASURES
HE WĀHI TAONGA

Our annual report 2016/17 was completed and sent to WCC in late September. The report highlighted our key achievements and told our performance story over the last year.

Our Long Term Capital Plan 2017- 2026 has been revised in recent months to take into account our key infrastructure priorities and will be presented to WCC for feedback in late October. We are currently facing the following challenges with our infrastructure:

- Our accommodation for staff and volunteers, educationalists, students, researchers and interns is substandard and overcrowded, with no space for the people needed to maintain our current operations or support future programmes and their significant potential impact

- The Visitor Centre as currently configured is nearing the limits of capacity for hosting our learner groups, visitors and international tourists, constraining our ability to offer more for Wellington

Cricket Wellington have now agreed in principle to sell the Brierley Pavilion to the Trust with a transfer of ownership date of April 2018. The Trust plan to relocate the building to a site on Waiapu Road subject to resource consent being granted.

Pam Fuller's term as a trustee on the Board ended in June 2017. Following a collaborative process involving the Guardians, Wellington City Council appointed Pete Monk as a new trustee from July 2017. He brings experience in tourism-related marketing from senior management and governance perspectives.

VOLUNTEERS

A PLACE THAT EMPOWERS
HE WĀHI WHAKAMANA

The Volunteer Appreciation evening is an important opportunity for us to recognise, acknowledge and celebrate what is now a 570-strong volunteer community. The evening took place in August with over 100 attendees. The highlight of the evening is the awards ceremony, where we acknowledge the outstanding achievements of many during the year. This year Bronwen Shepherd received the prestigious Faye Schaef Award, which is awarded to someone who exhibits the qualities and characteristics that Faye (a long-standing conservation volunteer) embodied: kindness, generosity, modesty, dedication, friendliness and approachability.

This year the 'Koru Award for an Outstanding New Volunteer' was given to Liza Kallarackel

We have a growing programme of research focusing on volunteering, including through a PhD project co-supervised by Dr Danielle Shanahan (ZEALANDIA Manager Conservation and Research). This work is focusing on understanding the motivations for volunteering, and the link between different activities and people's connection with nature. Our Volunteer Engagement project is being carried out by Empathy Design on a pro-bono basis to help us understand the unique perspectives held within our volunteer community, and identifying strategies that will help us continually enhance the programme.

EDUCATION

A PLACE FOR LEARNING
HE WĀHI MĀTAURANGA

Outreach to increase ZEALANDIA's conservation impact

Our Education team ran two trapping workshops this quarter in conjunction with Enviroschools. These two workshops were the first of their kind, and engaged 14 schools in how to track, trap and monitor mammal pests. The workshops were successful, and the model used in this programme will be repeated around the Wellington region to engage schools in meaningful trapping and biodiversity monitoring

Kids' Day Out

ZEALANDIA was well represented at the annual Kids' Day Out event at the Botanical gardens. Our Youth Ambassadors talked to hundreds of young people interested in what goes on here, and handed out a variety of prizes. This event brings a number of Wellington conservation organisations together to engage families.

The ZEALANDIA Youth Ambassadors engage with young people during Kids' Day out.

Engaging youth

In July we established a volunteer opportunity for secondary students, which now occurs on the first Sunday of each month. This programme allows students to meet each other, but is also a great way for young people to become involved in volunteering. The group has already had a big impact on our weed population at a number of different sites across the sanctuary. This programme aims to ensure there are opportunities for volunteers of all ages at ZEALANDIA.

Fostering citizen science in our community

A Basic Bird ID workshop was run at ZEALANDIA in September as part of a series of workshops offered by WCC. The workshop attracted significant interest, and was booked out well in advance. This was the inaugural event of its type at ZEALANDIA and feedback was very positive. We will be running a similar event during Conservation Week in October.

Youth Ambassador Huia wins a volunteer award

Huia, a 14 year old ZEALANDIA Youth Ambassador, received the Youth Volunteer Award at the 2017 ZEALANDIA Volunteer Appreciation Awards. Huia has a significant impact at ZEALANDIA through her involvement in the Youth Ambassador programme, but also is heavily engaged in conservation work in the wider community. She is an inspiration to other young people and epitomises the outcome we strive to see in youth.

CONSERVATION

A PLACE THAT TREASURES
HE WĀHI TAONGA

Our growing role in takahē conservation

This quarter had both highs and lows for takahē at ZEALANDIA. At the end of July, Puffin, our female ambassador takahē, passed away at Wellington Zoo's The Nest Te Kohanga during treatment for an illness. At 21 years old she was an elderly bird, and during her six years at ZEALANDIA, she helped tell the story of the plight of her species to around half a million visitors!
Puffin and T2, our first ambassador takahē. Photo: Janice McKenna

On 28 August 2017 a new advocacy takahē pair arrived. Nio (female, 14 years) and Orbell (male, 17 years) were transferred off Mana Island by Ngati Toa, DOC and ZEALANDIA staff. They were welcomed to the sanctuary by around 80 invited guests, led by Taranaki whānui. Their release was live-streamed and has since had 27,000 views. The pair have settled in well and after spending most of their time on the fenceline they have now moved down to the Takahē Lawn where visitors are able to see them, As the birds are still of breeding age we hope they will nest this summer.

Our new ambassador takahē Orbell ventures out of his introductory enclosure.

Sanctuary to Sea: Kia Mauriora te Kaiwharawhara

Sanctuary to Sea is a new ZEALANDIA project focussed on engaging the community in a 100-year vision to restore the Kaiwharawhara catchment. The second Sanctuary to Sea community meeting was held on 8 August and was attended by over 30 people. The meeting was run as a workshop to establish small working groups, define stakeholders and knowledge gaps, and draw leadership for each group.

The strategy group for the Sanctuary to Sea project met for the first time in September to discuss vision, objectives and actions for the project. The group gathered representatives of WCC, GWRC, Wellington Water, Taranaki Whānui, Manaaki Whenua and Morphum Environmental Ltd. The group adopted a 100-year vision with a 20-year generation time, the same as that for ZEALANDIA, and includes the Māori wording **"**Kia Mauriora te Kaiwharawhara**"**, which translates to "the life forces of the Kaiwharawhara to be well/strong again".

Lower Lake Restoration

We have begun planning in earnest for our lower lake restoration, which we aim to begin in early 2020. We are looking at options for restoring habitats and removing the exotic fish population from the lake. This will be the first project of its kind in New Zealand as our lake is extremely deep, but it offers exciting new opportunities for species reintroductions and conservation. It also is the headwater of the Kaiwharawhara catchment, so positive impacts here will have lasting positive effects downstream.

A large component of the lake restoration project will include research, for example, looking at the effects of exotic fish removal on water quality, invertebrate communities, and a range of other factors. This project offers us a unique chance to learn more about New Zealand's unique freshwater systems and the varying approaches for restoration.

The Waikato University People Cities and Nature project

We are playing a significant part in the $2.8M MBIE Endeavour-funded People, Cities and Nature project, led by Professor Bruce Clarkson. This interdisciplinary and multidimensional programme of research engages academics from across the country who are working to identify social and ecological solutions that ensure urban restoration can be successful. As an end-user ZEALANDIA staff engage with the researchers to discuss the direction of the research. We are also becoming increasingly engaged with the research itself, for example through Dr Nicky Nelson's research into the value of lizard citizen science approaches in backyards. This research will deliver real solutions for New Zealand cities, and identify key strategies for engaging people with nature.

MEASUREMENT AGAINST TARGETS IN THE SOI 2017/18

Non-Financial Performance Measures (Quarterly Targets)

	2017/18 Quarter 1 (July-Sep)		2017/18 Annual	
Measure	**Actual**	**Target**	**Actual (YTD)**	**Target (YTD)**
Visitation	23,361	13,914	23,361	13,914
Education Visits*	2,613	1,850	2,613	1,850

** Education visits are also included in total visitation numbers above.*

Non-Financial Performance Measures (Annual Targets)

Measure	Actual YTD	Annual Target 2017/18
Individual Members	11,090	10,600
Number of Volunteers	570	>430
Volunteer Satisfaction Survey[1]	-	>80%
Percentage of Satisfied Visitors	96%	>92%

[1]*A survey will be completed in March/April 2018 to assess the level of volunteer satisfaction with ZEALANDIA*

Financial Performance Measures

Measure	Actual YTD	Annual Target 2017/18
Full cost per visitor (including WCC costs)	$16.13	$18.78
Average subsidy per visit (Total WCC operating grant/all visitors)	$8.94	$9.07
Average revenue per visitation (excludes Council & Government grants)	$25.56	$26.22
Non-Council Donations/Funding	$43,643	$265,000
Net surplus (deficit) before depreciation and tax	($126,379)	$318,200
Commercial revenue as a % of overall budget	66%	50%
Membership subscription revenue	$60,904	$306,000

MEASUREMENT AGAINST TARGETS IN THE SOI 2017/18

Conservation Programme (Annual Targets)

Conservation Measures	Actual YTD	Annual Target	Commentary
Restore missing species to the wild in accordance with the Restoration Strategy			
Number of new animal species transferred	0	0	
Number of transferred animal species being actively managed in the wild. ** Active management includes supplementary feeding, nestbox and roostbox management and excludes species held in captivitiy.*	10	11	Hihi, takahē, kākā, bellbird, kākāriki, Maud Island frog, giant wētā, long-fin eel, little spotted kiwi, pāteke. These targets were set prior to the postponement of the rifleman translocation in 2017 so this number will remain at 10 for this financial year.
Number of animal species in the wild actively monitored (assuming 1 new species transferred/annum) **Includes species with ongoing active data collection.*	19	11	Hihi, kākā, bellbird, kākāriki, little spotted kiwi, tīeke, tūī, whitehead, North Island robin, silvereye, grey warbler, fantail, kererū, kingfisher, bush falcon, tuatara, spotted skink, giant wētā, cave wētā.
Percentage of transferred animal species regarded as self-sustaining (assuming ongoing management)	76%	79%	This target was set prior to the postponement of the rifleman translocation in 2017 so this number will remain at 76% for this financial year.
Maintain or Improve the population status of nationally threatened species present			
Number of threatened species present and breeding successfully	4	4	Fauna: Hihi and Maud Island frog. Flora: 7 threatened plant species reintroduced to date into the sanctuary, of which 2 are known to successfully flower and fruit.
Manage species held for captive breeding purposes to ensure they remain healthy and breed successfully			
Number of species of held for captive breeding	2	2	Wellington green gecko, Maud Island frog.
Monitor animal pest status, control mice & successfully respond to any incursions			
Mice maintained at levels below or similar to previous years (abundance per 100 trap nights)	0.8	<10	The mouse abundance is currently low as a control operation took place in July.
Percentage of incursions successfully eradicated	N/A	100%	No incursions identified.
Monitor plant pest status and reduce distribution of environmental weeds (currently 123) within and near the fence perimeter			
Number of pest plant species actively controlled or surveyed	0	44	Weed season to begin in November.
Number of pest plant species where control has achieved a decline to low levels of infestation in the sanctuary	120	53	Weed season to begin in November.

Measures against Strategy Areas

MEASURE against Strategy Areas	TARGET 2017/18	TRACKING 2017/18
Restoring Te Māra a Tāne and its extending halo of biodiversity		
Assist in the restoration of healthy landscape scale ecosystems through active collaboration in community partnerships wherever appropriate.	Restoration Strategy 2027 updated and revised.	On track. Project planning has been undertaken, and key experts identified and engaged.
	Project based on the restoration of the lower valley streams, wetland and lake established.	On track. This project has been established, and is on track for operational planning of the lower lake restoration.
Review the biosecurity strategy for the sanctuary to utilise new technologies emerging from the Predator Free movement.	Biosecurity Strategy updated and revised.	On track. This project is currently being carried out as part of the Restoration Strategy, and is on track with planning and initial scoping conducted.
Establish a new monitoring protocol for populations that have now established in the sanctuary.	Identify and draw-up initial plans for the next species translocation consistent with the revised Restoration Strategy.	On track. This project will occur towards the end of the financial year after key species for translocation have been identified
Building our organisation's capacity to drive transformation		
Building our organisation's capacity to drive transformation	A net surplus before depreciation and tax of $318,200	The year to date result for Operating Deficit before Depreciation is $126,379 and is tracking favourably by $50,755 for the first quarter mainly due to better than expected admissions and café sales
	Commercial revenue equating to 50% of overall budget	66% mainly due to higher than budgeted Café sales of $21,000 and Admissions revenue of $32,000
	10,600 members	Tracking above target by 490 with 11,090 members as at 30 September 2017
	Membership subscriptions $306,000	Year to date income of $60,904 and expected to meet target by year end
	Full cost per visitor (including WCC costs) $18.78	Tracking favourably to target at $16.13 for first quarter
	Average WCC subsidy per visitor $9.07	Tracking favourably to target at $8.94 for first quarter
	Average revenue per visit $26.22	Tracking below at $25.56 but expected to meet target at year end
	Non-Council Donations/Funding $265,000	Year to date income of $43,643 and expected to meet target by year end
Creating inspiring, accessible experiences and change through example and shared passion for action		

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MEASURE against Strategy Areas	TARGET 2017/18	TRACKING 2017/18
Expand our influence beyond the fence to support the broader community in their restoration efforts. Improve the signage, including interpretation and way-finding in the valley to enhance the visitor experience. Explore technological options for enhancing the visitor experience, with wi-fi as a platform.	Visitor numbers – 96,500 separate visitations with breakdown of visitor demographics	Year to date visitation total of 23,361 and is on track to meet the target of 96,500 visitors.
	8,650 education visitors	The Education team has already hosted 2,613 students for the first quarter.
	Visitor experience – ZEALANDIA achieves a satisfied visitor rating of 92% or greater	Overall visitor experience as measured by Get Smart is on track at 96%
	Continue to improve accessibility and work to attain the Be.Accessible Gold rating.	In 2015/16 we were awarded the Be. Accessible Silver accreditation (up from Bronze in the previous year), and we are now working towards achieving Gold status through implementation of the recommendations in their last report.
	Maintain > 430 volunteers, with the establishment of new avenues for people to volunteer	On track. Currently 570. New volunteer roles and volunteer development opportunities are constantly being developed.
	> 80% of volunteers are satisfied with their relationship with ZEALANDIA	The volunteer survey is conducted at the end of the financial year and reported in the annual report so data are not yet available for this.
Forming strong and enduring local, national and international partnerships based on shared goals		
We will undertake our kaitiakitanga responsibilities through enhanced partnerships with Māori. A strong and comprehensive relationship with Māori, at mana whenua, iwi and national level, remains of primary importance to ZEALANDIA and we will develop closer relationships during 2017/18 through building on the recommendations from the 2016 ZEALANDIA cultural audit. We recognise that Mātauranga Māori, indigenous knowledge, is a key part of the evidence base that will be needed to underpin our work far into the future in restoring people's connection with our natural heritage.	Capability developed to enable closer partnerships with iwi and integration of Mātauranga Māori in line with the cultural audit report recommendations.	On track. We have been building our relationship with mana whenua (Te Ati Awa Taranaki Whānui), and are looking at new ways to help foster a greater relationship between iwi and the sanctuary and catchment.
We will continue to play an active role in a Predator Free Wellington, with a particular focus on our ability to facilitate the creation of a nature-rich city. We will develop collaborative projects with other sanctuaries nationally to address key conservation management issues as appropriate. We will grow and develop our core partnership with Wellington City Council to make an outstanding biophysical, community, learning and economic contribution to Wellington.	New researchers across multiple disciplines engaged with the sanctuary.	On track. This year we have already had engagement with students from Biological Sciences, Environmental Sciences, Engineering, and Tourism/Business. This has been through course-related research, Summer Student Scholarships, and internships.
	Plans for future translocations into ZEALANDIA and predator free suburbs advanced.	We are currently focusing on the Restoration Strategy, with this activity planned for 2018.

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MEASURE against Strategy Areas	TARGET 2017/18	TRACKING 2017/18
We will cement our emerging international networks that help strengthen New Zealand's influence in the world		
Embracing Mātauranga Māori and other knowledge frameworks		
Develop a plan to ensure ZEALANDIA's knowledge and practice are increasingly suffused with Mātauranga Māori, New Zealand's indigenous knowledge base based on the cultural audit recommendations.	Implementation of the agreed recommendations from the cultural audit	During the first quarter we appointed Stasi Turnbull to the new role of Manager Learning and Engagement, Stasi starts in this role in early October. She will be responsible for developing the strategic direction and leading the integration of te ao Māori and Mātauranga Māori throughout the whole organisation.
Implement a long-term programme of research and research partnerships to provide an evidence base for our future activity and advice and contribution to others. Continue to broaden our research programme beyond biodiversity, ecology and conservation, to include the health, social and other benefits of people living in closer connection to nature.	Develop and agree plans for a long-term, integrated research programme.	On track. We have new relationships emerging with researchers in Mātauranga Maori that will help form a longer-term project in this space, including with researchers at Manaaki Whenua (Dr Cilla Wehi and Holden Hohaia). A prospectus is to be developed for the overarching research programme to engage further researchers. A face-to-face meeting with the Thought Leaders Reference Group will be held in early July next year to further build on this.
	Engage with other VUW faculties to broaden the interdisciplinary research focus.	On track. This year we have already engaged with students from Biological Sciences, Environmental Sciences, Engineering, and Tourism/Business.
Being a hub where people of all ages can learn, create new knowledge and share their insights and understanding		
Develop a long-term education strategy to outline ZEALANDIA's 10-year plan for engaging people in life-long learning.	Education strategy 2027 developed, including specific actions and targets for reaching learners of all ages.	On track. Education strategy is in draft form.
Obtain funding to increase opportunities for children who rarely engage in environmental education to either visit ZEALANDIA or experience our outreach programme in their 'special place'.	50% of all schools within the Kapiti/Porirua/Hutt Valley/Wellington area to have tracking and trapping as a normal part of their school programme, resulting in enhanced biodiversity in their area by 2020 to support Predator Free Wellington.	The 50% target is a long-term goal. We have been helping engage more schools in trapping and tracking through workshops rather than individual school visits, which will make this objective more achievable.
	Increased school visits; includes visits to the sanctuary and visits to schools or their 'special places' by education staff.	On track. We are now engaging more schools through workshop type approaches that enable greater impact across a broader area.
Explore opportunities to engage 'hard to reach' age groups and demographic sectors, particularly through partnerships with polytechnic institutions.	Expand the internship programme to provide learning experiences to students across a range of disciplines.	On track. We have a number of interns who will join the ZEALANDIA team in the next few months, including in the Conservation Team, Commercial Services, and Volunteering aspects of the business.

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MEASURE against Strategy Areas	TARGET 2017/18	TRACKING 2017/18
Equipping people with experience and skills for a nature-rich future		
Enhance opportunities available through volunteer programmes to both enrich visitor experience and strengthen our community.	Greater diversity of experiences offered for volunteers, and at least one new 'upskilling' opportunity offered.	On track. We are aiming to find funding to support Te Reo training opportunities for volunteers.
Enhance the learning possibilities associated with visiting ZEALANDIA through improvement of the interpretation material within the sanctuary.	A new approach to interpretation is developed and implemented	On track. A draft version of the new interpretation signage has been developed. The next stage is content development. We have applied for grant funding to support the development of Mātauranga Maori content. Implementation of a botanical signage will occur this financial year.
New ways to experience ZEALANDIA are provided, with a focus on cultural, environmental and creative opportunities.	New ways for visitors to experience ZEALANDIA, for example through cultural or creative means, have been implemented.	On track. Conservation week in October will provide the opportunity for visitors to engage with a range of different activities related to sustainability and conservation, including for example a radio tracking workshop and a showcase of research happening at the sanctuary.

FINANCIAL PERFORMANCE

Detailed financials are attached.

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Profit & Loss

Karori Sanctuary Trust Inc.
For the month ended 30 September 2017

	Sep-17	Aug-17	Jul-17	YTD
Income				
Admissions	58,709	55,377	65,841	179,927
Bird Feeders Appeal	1,656	12,720	-	14,376
Care & Preservation Income	1,816	1,816	2,466	6,097
Education Other Revenue	-	750	-	750
Gain or Loss on Sale of Fixed Assets	-	244	-	244
Interest Income	17	33	49	99
KBN (Kids by Night) Tours	609	748	843	2,200
KNW - Kids Night Walks	17	52	50	120
Living Wage WCC Funding	12,083	12,083	12,083	36,250
Low Decile Education Donation	2,000	2,000	2,000	6,000
Membership Subscriptions	18,655	20,352	21,897	60,904
Other Grants & Donations	19,922	7,690	7,981	35,593
Other Operating Revenue	9,577	5,513	7,164	22,254
Rifleman Transfer	-	66	-	66
Sales of Goods	92,742	74,289	93,586	260,616
Shipping Recoveries	33	20	7	59
WCC Grant	69,583	69,583	69,583	208,750
ZBD - Summer Tours	6,956	6,935	7,321	21,212
Total Income	**294,375**	**270,270**	**290,872**	**855,517**
Gross Profit	**294,375**	**270,270**	**290,872**	**855,517**
Less Operating Expenses				
Administration & Management	29,644	47,994	53,348	130,987
Ambassadors	-	432	349	781
Board Miscellaneous Expenses	57	104	117	278
Cafe Refresh Total	1,235	-	-	1,235
Colt Motor Vehicle Expenses	69	-	-	69
Contractors & Consultants - Marketing	600	-	-	600
Cost of Goods Sold	36,824	38,988	41,373	117,185
Education Events	35	-	-	35
Guide Expenses	-	7	-	7
Hutt Mana Bush Explorers Programme	-	-	226	226
Interpretation	216	352	-	569
Marketing Equipment	-	195	-	195
Other Operating Expenses	6,942	19,919	11,002	37,863
Personnel	191,133	185,133	162,912	539,177
Playing Cards	532	181	30	743
Police Checks for Volunteers	214	-	-	214
Salaries & Wages - Cafe - Casual	6,797	1,271	7,946	16,014
Salaries & Wages - CLER - Weekend Duty Ops 50%	657	1,801	157	2,614
Salaries & Wages - Education - Casual	3,792	4,256	3,127	11,175
Salaries & Wages - Guides	6,994	5,734	7,973	20,701

Profit & Loss

	Sep-17	Aug-17	Jul-17	YTD
Salaries & Wages - Retail & Admissions - Casual	7,061	4,478	2,575	14,115
Salaries & Wages - SCaP - Weekend Duty Ops 50%	657	1,801	157	2,614
Salaries & Wages - Shuttle Drivers - Casual	1,745	-	-	1,745
Salaries & Wages - Tourism & Trade	7,097	7,993	7,136	22,227
Salaries & Wages - VE - Casual	(30)	114	-	84
Salaries & Wages - Visitor Experience	6,459	9,457	9,521	25,436
Sanctuary to Sea Project Expenses	14	6,077	-	6,091
Seminars	-	-	17	17
SMT - Discretionary Expense Allowance	94	99	207	401
Trade, Tourism, Industry alliances	17	1,058	618	1,693
Transport Costs	681	242	-	923
Unlocking Curious Minds Expenses	-	568	-	568
Vend Unders & Overs	(13)	2	(21)	(32)
Website - site	1,207	1,190	-	2,397
Interest Paid				
Interest Expense	(1,116)	640	675	199
Total Interest Paid	**(1,116)**	**640**	**675**	**199**
Trustees Remuneration				
Board Expenses	22,750	-	-	22,750
Total Trustees Remuneration	**22,750**	**-**	**-**	**22,750**
Total Operating Expenses	**332,364**	**340,087**	**309,444**	**981,896**
Operating Profit	**(37,990)**	**(69,817)**	**(18,572)**	**(126,379)**
Non-operating Expenses				
Depreciation Expense	45,526	45,504	45,558	136,588
Total Non-operating Expenses	**45,526**	**45,504**	**45,558**	**136,588**
Net Profit	**(83,515)**	**(115,321)**	**(64,130)**	**(262,967)**

Balance Sheet

Karori Sanctuary Trust Inc.
As at 30 September 2017

	30 Sep 2017
Assets	
Current Assets	
Accounts Receivable	28,746
Cash	1,468,867
Posboss Card Holding Account	4,384
Posboss Cash Holding Account	1,808
Prepayments	19,313
Stock on Hand	34,992
Total Current Assets	**1,558,110**
Fixed Assets	
Fixed Assets	3,034,790
Total Fixed Assets	**3,034,790**
Total Assets	**4,592,900**
Liabilities	
Current Liabilities	
Accounts Payable	60,496
Accrued Liability	52,455
Community Trust Loan - Current	100,000
GST	8,043
Payroll Taxes	126,697
Possboss Suspense Account	(387)
Project / Capex Fund	78,368
Unearned income	535,852
Total Current Liabilities	**961,523**
Non-Current Liabilities	
Community Trust Loan	41,636
Total Non-Current Liabilities	**41,636**
Total Liabilities	**1,003,159**
Net Assets	**3,589,741**
Equity	
Current Year Earnings	(262,967)
Retained Earnings	3,852,708
Total Equity	**3,589,741**

Statement of Cash Flows

Karori Sanctuary Trust Inc.
For the 3 months ended 30 September 2017

	JUL-SEP 2017
Cash Flows from Operating Activities	
Receipts from customers	1,290,826.40
Payments to suppliers and employees	(1,132,373.00)
Cash receipts from other operating activities	(53,110.67)
Total Cash Flows from Operating Activities	**105,342.73**
Cash Flows from Investing Activities	
Proceeds from sale of property, plant and equipment	800.00
Payment for property, plant and equipment	(22,532.91)
Total Cash Flows from Investing Activities	**(21,732.91)**
Cash Flows from Financing Activities	
Other cash items from financing activities	(26,697.07)
Total Cash Flows from Financing Activities	**(26,697.07)**
Net Cash Flows	**56,912.75**
Cash Balances	
Cash and cash equivalents at beginning of period	1,411,954.54
Cash and cash equivalents at end of period	1,468,867.29
Net change in cash for period	56,912.75

Statement of Cash Flows -WCC Quarterly Report 2016/17 | Karori Sanctuary Trust Inc.

WELLINGTON CABLE CAR LIMITED
30 Glover Street, Ngauranga
Wellington 6035
Phone: +64 (4) 473 2721

14 November 2017

The Committee
Council Controlled Organisations Sub-Committee
Wellington City Council
PO Box 2199
Wellington 6140

Dear Committee,

WCCL QUARTERLY REPORT (FIRST QUARTER OF 2017/18, TO 30 SEPTEMBER 2017) FOR THE WCC CCO COMMITTEE

1. Executive Summary

The WCCL financial results are forwarded for the first quarter ended 30 September 2017 and show a pre-tax, net deficit of $85k for the quarter compared to a budgeted deficit of $134k, a positive variance of $49k. The variance is due to the following factors:

1. Cable Car revenue is tracking strongly and is ahead of budget by $87k. This is particularly pleasing given it is the first quarter for the year but also the winter months;

2. Given operational changes, including those in respect of cash handling, additional costs of approximately $40k have been incurred over budget in the first quarter, and as a result this area has been re-forecast for the full year. Other Cable Car operational costs are tracking on budget or slightly less than budget;

3. Additional Cable Car maintenance work being completed than originally budgeted for, largely arising from the ongoing/completion of the work in respect of the cable car lane upgrade which the Company has assumed more responsibility for some of the remedial work. There has also been initial work on other maintenance projects however these variances are more timing in nature; and

4. A negative margin of $26k in respect of 3rd party external work. This is partially timing in nature for when the Company can on-charge third parties, but also relates to adjustments arising from the year ended 30 June 2017 and income recorded in that year.

From a cash flow perspective, there has been a small reduction in cash holdings given the operating deficit for the first quarter, however the Company continues to be in a solid position with cash reserves of $2,433k (including the self-insurance fund of $301k) noting a positive impact of $48k in future periods from debtors/prepayments less payables and accruals.

Absolutely Positively Wellington City Council
Me Heke Ki Pōneke

Fax+64 (04) 473 2710
Email: info@wellingtoncablecar.co.nz
Web: www.wellingtoncablecar.co.nz

Given the significant capital replacement costs required for the Cable Car in the coming years, which the asset management plan has highlighted for significant funding shortfalls, the Company is maintaining additional cash reserves until the long-term funding is confirmed. Subsequent to the Company's previous quarterly reporting, the decision has been made for the Company not to pursue the Cable Car being part of the Metlink public transport network.

2. SOI / Business Plan Targets

Financial Performance by Division – Quarter 1, 2017/18 (Excluding Tax)					
	Overhead Division	Cable Car	External Activities	Corporate	**WCCL Total**
Budget	(56,000)	(24,000)	54,000	(108,000)	(134,000)
Actual	(56,000)	4,000	58,000	(91,000)	(85,000)
Variance	0	28,000	4,000	17,000	49,000

Financial Performance by Division – Year to Date 2017/18 (Excluding Tax)					
	Overhead Division	Cable Car	External Activities	Corporate	**WCCL Total**
Budget	(56,000)	(24,000)	54,000	(108,000)	(134,000)
Actual	(56,000)	4,000	58,000	(91,000)	(85,000)
Variance	0	28,000	4,000	17,000	49,000

Cable Car Patronage Targets – 2017/18 Year					
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	**Full Year**
SOI Target	206,367	293,010	375,962	216,589	1,091,928
Actual	190,600				
Variance	(15,767)				

Cable Car Reliability Statistics – 2017/18 Year					
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	**Full Year**
SOI Target	>99%	>99%	>99%	>99%	>99%
Actual	99.63%				
Result	✓				

3. Cable Car

It is pleasing to say that the financial profit and loss result for the Cable Car quarter ended 30 September 2017 (and also year to date) is tracking ahead of budget by $4k. This variance is due to the car cable fare revenue exceeding budget by $87k, which is very positive given the annual shutdown of the Cable Car also took place during this quarter. As noted above, the additional operational costs and the timing of the maintenance expenditure reduced this positive variance.

In relation to passenger numbers being down on budget, this is due to the annual shut down being originally planned and budgeted to take place in the 2016/17 financial year and also taking 2-3 days longer than used to be the case before the 2016 Electric Drive upgrade (this is a permanent change). However, given revenue exceeded budget by the amount it did, this is even more pleasing.

Other than these areas, from an operational perspective, all other areas were on budget and proceeding as planned.

The cruise ship season commences in the 2nd quarter of the year and therefore the Company is looking forward to an additional increase in revenue in this period.

In terms of other activities during the first quarter of the year, these include:

- Completion of the annual cable car maintenance shut-down, which included further remedial works on the ticket kiosk
- Further merchandising for the Cable Car, including branded pens to go alongside the die cast vehicles
- Continued planning in respect of the future funding of the Cable Car for the larger value capital replacement projects over the next 8-10 years.
- Installation of noise insulation in the winding room which brought the noise level below the threshold specified in the H&S regulations (85 dB(A)).
- Implementation of the Company's new Drug and Alcohol Policy

4. Trolley Bus Network

The actual expenditure incurred for the quarter ended 30 September 2017 is less than the budgeted year to date amount, but the main reason for this variance is the timing of the expenditure in relation to the decommissioning of the overhead network.

The Overhead Network team is currently undertaking Detailed planning for the overhead network decommissioning to commence post the cessation of Trolley Buses, including an initial section of emergency track to be decommissioned commencing in October 2017 as requested by our contractor and after agreement with GWRC and WCC.

The team also continues to be busy with a significant and exponential growth in requests for UFB attachments to the network by Chorus as part of the rollout of fibre optic connections within the Wellington City urban area. Another positive result in this quarter has been that an agreement was concluded and executed in relation to pole user charges for a large utility on the overhead pole network which has been under negotiation for some time (2 years).

In relation to the possible sale of the pole network, the pole network will be retained within the WCC group, and will either be retained by the Company or transferred to Wellington City Council.

5. External Activities and Corporate

External income relating to pole user licence charging is ahead of budget given the conclusion of the agreement with the utility company as discussed above, which resulted in a back-dated adjustment from previous revenue received.

As discussed in the executive summary, the negative margin of $26k in respect of 3rd party external work is partially timing in nature for when the Company can on-charge third parties, but also relates to adjustments arising from the year ended 30 June 2017 and income recorded in that year.

6. Other Activities

- 2016/17 financial audit – The completion of the year end audit and annual report for the Company was a significant improvement on prior years which was pleasing, and resulted in the completion of the audit within the required statutory deadlines. Both the annual report and 2017/18 statement of intent has also been uploaded to the Company's website.

- Point of sale / financial system integration – As the year end audit has been completed and also operational upgrades and issues with the point of sale has been resolved, the Company has progressed this project with the supplier. The integration project will commence in the 2nd quarter with a planned go live date of 01 March 2018.

Please do not hesitate to contact me if you have any further queries in relation to any of the matters contained within this report.

Yours faithfully,

Simon Fleisher
Chief Executive

Wellington Cable Car Limited
Profit and Loss for the Period Ended 30 September 2017

	Actual 2017 - Qtr 1 $000	Budget 2017 - Qtr 1 $000	Variance 2017 - Qtr 1 $000	Actual 2018 - YTD $000	Budget 2018 - YTD $000	Variance 2018 - YTD $000
OVERHEAD DIVISION						
Income	**953**	**2,172**	**(1,219)**	**953**	**2,172**	**(1,219)**
Contractor Operations Costs	**637**	675	38	637	675	38
Reactive Maintenance	**2**	13	11	1	13	11
Wellington Cable Car Operations Costs	**234**	269	34	235	269	34
Total Operating Expenses	**873**	**956**	**83**	**873**	**956**	**83**
Operating Surplus/Loss before Replacements	79	1,216	(1,136)	79	1,216	(1,136)
Decommissioning	79	1,210	1,131	79	1,210	1,131
Total Replacements	**79**	**1,216**	**1,136**	**79**	**1,216**	**1,136**
Total Maintenance & Replacement Cost	**79**	**1,216**	**1,136**	**79**	**1,216**	**1,136**
Depreciation	56	56	0	56	56	0
Total Expenses	**1,009**	**2,228**	**1,219**	**1,009**	**2,228**	**1,219**
Overhead Overall Surplus / (Loss)	**(56)**	**(56)**	**0**	**(56)**	**(56)**	**0**
COMPANY ACTIVITIES DIVISION						
Cable Car Income	577	491	87	577	491	87
Cable Car Operations	294	263	(31)	292	263	(29)
Cable Car Maintenance	238	202	(36)	240	202	(38)
Depreciation - CC	41	50	9	41	50	9
	573	515	(58)	573	515	(58)
Electric Bus Income	1	0	1	1	0	1
Electric Bus Operations	0	0	0	0	0	0
Electric Bus Maintenance	2	0	(2)	2	0	(2)
	2	0	(2)	2	0	(2)
Cable Car Operating Surplus / (Loss)	4	(24)	148	4	(24)	28
3rd Party Services Net Contribution	(26)	0	(26)	(26)	0	(26)
External Pole Work Net Contribution	0	0	0	0	0	0
3rd Party Overhead Projects Net Contribution	0	0	0	0	0	0
Sundry External Income	84	54	29	84	54	29
External Activities Operating Contribution Surplus / (Loss)	58	54	4	58	54	4
Total Company Activities Operating Contribution Surplus / (Loss)	62	30	31	62	30	31
Administration Expenses	91	108	17	91	108	17
Revaluation of Property, Plant and Equipment						
Company Activities Division Operating Surplus / (Loss)	(30)	(78)	48	(30)	(78)	48
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) BEFORE TAX	(85)	(134)	49	(85)	(134)	49
Tax Expense	(24)	(36)	12	(24)	(36)	12
Subvention Payment	0	0	0	0	0	0
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) AFTER TAX	(62)	(98)	37	(62)	(98)	37
The Total Surplus / (Loss) After Tax Consists of:						
Total Income	1,667	2,717	(1,049)	1,667	2,717	(1,049)
Total Expenditure	(1,729)	(2,815)	1,086	(1,729)	(2,815)	1,086
	(62)	(98)	37	(62)	(98)	37
	0	(0)	0	0	(0)	0

Item 2.2 Attachment 3

Wellington Cable Car Limited
Statement of Financial Position
As at 30 September 2017

	2018		2017	
	$	$	$	$
ASSETS				
Current Assets				
Bank Accounts Total	2,433,268		1,661,859	
Inventory	97,711		350,147	
WIP	(4,358)		(6,379)	
Accounts Receivable less Provision	669,965		420,659	
Sundry Debtors & Prepayments	243,944		269,440	
RWT Deductions	470		717	
Total Current Assets		3,440,999		2,696,443
Fixed Assets				
Cable Car & Civil Works				
Cable Car Equipment (2%)	7,721,058		7,721,058	
Cable Car Equipment (10%)	871,998		408,629	
Cable Car Tracks & Wires	1,363,778		1,363,778	
Furniture & Fittings	77,928		64,699	
Computer Equipment	280,141		260,649	
Computer Software	204,707		204,707	
Overhead Equipment	79,506		79,506	
Overhead Wire System				
Overhead Motor Vehicles	1,026,849		1,026,849	
Fixed Asset Clearing Account	3,636		(99,337)	
Accumulated Depreciation	(3,339,453)		(2,823,714)	
Total Fixed Assets		8,290,149		8,206,825
TOTAL ASSETS		11,731,148		10,903,268
LIABILITIES				
Current Liabilities				
Accounts Payable	383,410		305,495	
Accruals	481,969		581,642	
Purchases Received not yet Invoiced	107,072		99,750	
Social Fund	3,040		960	
Income Rec'd in Advance				
Ostendo Clearing Account				
GST TOTAL	39,803		(10,662)	
PAYE Suspense	18,298		14,353	
Revenue received in advance				
Prebilled charges TOTAL	113,855			
Credit Card Expenses				
Total Credit Card	4,500		8,454	
Current Portion of Term Liabilities				
Total Current Liabilities		1,151,946		999,992
Non Current Liabilities				
ANZ Bank Loan facility				
Provision for Income Tax	99,746		91,006	
Deferred Tax Liability	816,063		780,613	
Sundry Creditors				
Telecom Lease/Rentals				
Total Non Current Liabilities		915,809		871,619
Ostendo Clearing Accounts				
Total Ostendo Clearing Accounts		87		(1,965)
TOTAL LIABILITIES		2,067,842		1,869,646
NET ASSETS		9,663,306		9,033,622
SHAREHOLDER'S FUNDS				
Ordinary Shares	7,434,846		7,434,846	
Retained Earnings	2,384,304		2,009,491	
Revaluation Reserve				
Tax on Equity items				
Less: Dividend Paid	(94,306)		(94,306)	
Current Year Earnings	(61,538)		(316,409)	
TOTAL SHAREHOLDER'S FUNDS		9,663,306		9,033,622

Wellington Cable Car Limited
Statement of Cashflows
For the Period Ended 30 September 2017

	Year Ended 30 June 2018
Cash flows from operating activities	
Cash was received from:	
Operating receipts	1,735
Cash was disbursed to:	
Payments to suppliers and employees	(1,803)
Payment of Tax	1
Subvention Payment	-
GST	(66)
Net cash inflow / (outflow) from operating activities	(134)
Cash flows from investing activites	
Cash was received from:	
Investments	-
Interest received	10
Sale of Fixed Assets	
Cash was applied to:	
Purchase of fixed assets	(6)
Net cash inflow / (outflow) from investing activities	4
Cash flows from financing activites	
Cash was received from:	
Term Loan	-
Cash was applied to:	
Payment of Dividend	7
Term Loan	-
Net cash inflow/(outflow) from financing activities	7
Net Increase/(decrease) in Cash held	(123)
Opening Cash Balance	2,556
Closing Cash Balance	2,433

Wellington Cable Car Limited
Cashflow Reconciliation Statement
For the Period Ended 30 September 2017

	Year Ended 30 June 2018
Net Profit/(Loss) before tax	(85)
Add non cash items:	
Movement in provision for impairment of doubtful debts	-
Depreciation	97
Impairment/revaluation	-
(Gain)/Loss on Assets sold/disused	-
	11
Add / (deduct) movements in Working Capital:	
(Increase) / Decrease in accounts receivable & other assets	70
Increase / (Decrease) in accounts payable & other accruals	(210)
(Increase) / Decrease in inventory	(4)
Add / (deduct) investing activities:	
Net (gain) / loss on sale of assets	-
Net (receipt) / payment interest income	(2)
Net receipt / (payment) withholding tax	1
Net receipt / (payment) Subvention Payment	-
Net (receipt) / payment Income Tax	
Add / (deduct) Financing activities:	
Net receipt / (payment) of Dividend	
Net (receipt) / payment of Finance Leases	-
Net cash inflow from operating activities	(134)

Experience Wellington 2017-18
Quarter 1 Visitor Numbers and Highlights Report to Council
as at 30 September 2017

experience Wellington
wellington museums trust

Visitor Numbers

Institution	2017-18 Target	YTD Visitor Numbers (to 30 Sept 2017)	% of Annual Target	Q1 Target	Q1 Visitor Numbers Achieved	% of Q1 Target
City Gallery Wellington	143,000	57,911	40%	45,000	57,911	129%
Wellington Museum	137,000	25,675	19%	30,000	25,675	86%
Capital E	90,000	37,774	42%	27,500	37,774	137%
Cable Car Museum	237,000	38,998	16%	55,200	38,998	71%
Space Place	52,000	14,135	27%	11,500	14,135	123%
Nairn Street Cottage	2,500	648	26%	400	648	162%
TOTAL	**661,500**	**175,141**	**26%**	**169,600**	**175,141**	**103%**

Commentary on variation against Target

- **Cable Car Museum:** Tracking better than the same period last year and is expected to grow during October School Holidays and the upcoming Cruise Ship Season.
- **Capital E:** There has been strong attendance at the Hannah Playhouse and at the Te Reo Māori performances of *Hinepau* in partnership with Taki Rua, touring kura, marae and schools around New Zealand Aotearoa. The creative play space has also seen a growing audience as we strategically grow our social media profile.
- **Space Place:** Tracking well against target and better than for the same period last year.
- **City Gallery Wellington:** Venue Hire and high attendance at public programmes has contributed to the Q1 visitation result.
- **Nairn Street Cottage:** Tracking well against target and better than the same period last year.
- **Wellington Museum:** Wellington Museum will see numbers improve due to the October school holidays and moving in to the Cruise Ship Season.

Highlights

- The Capital E National Theatre for Children's production of *Hinepau* in Te Reo Māori, in partnership with Taki Rua, toured kura, marae and schools around Aotearoa drawing an audience of over 17,000 children, their teachers and caregivers.
- The Capital E team has provided some fantastic creative opportunities for young Wellingtonians in this quarter: the two winning films in the *Roxy5 Short Film Competition* were re-shot with industry professionals mentoring the students; a pilot radio drama scriptwriting project – *Page to Stage* – culminated in six works being written by children with international industry mentors, and recorded by professional actors; and the July school holiday programme in our Creative Play Space wove together live performance, digital exploration and traditional making activity.
- The Capital E team met with staff from City Shaper and Athfield Architects for a workshop to assess spatial requirements for the next stage in the evolution of Capital E.
- Working with Victoria University's Applied Translation Service, Wellington Museum now offers its Highlights brochure in thirteen languages. These are available at the front desk.
- Recent acquisitions for the Wellington Museum Collection, under the Active Collecting initiative, include three sets of Matariki flags designed by Māori Artists. These were originally commissioned by Wellington City Council and mesh nicely with a Collection interpretation stance of our Māori taonga as referring to progression and adaptation in Māori cultural practice.
- Wellington Museum has a new temporary display in the Attic to coincide with WOW and the October school holidays. Troubled Waters, a costume by Wellington artist Michaela Manley featured in WOW 2016 and is created from used bicycle tyres.
- With the Orrery display moved at Space Place a new interpretation has been created featuring a backlit display 'What The Eyes Can't See'.
- *After Hours* at Wellington Museum with Christchurch based musician, Delaney Davidson was very popuar with nearly 300 people attending.
- *Far From Frozen* was a huge success with Space Place having a significant increase in visitation and associated revenue through the July school holidays. It was a great experience for school groups visiting in the first two weeks of term three.
- Space Place's new robots programme which debuted at the end of term two has been a blast for participating students and it is becoming a big draw card for early secondary school groups.
- Flux Co-Op had a busy Q1 staging exhibitions and programmes which involved partnerships with a range of communities. Each brought new and diverse audiences into Flux, and we are also noticing return visitors who tell us they are keeping an eye out for events and exhibitions. The activities have strengthened Flux's growing reputation as a place for young people and community partnerships. Flux is now booked until November.

- In August City Gallery changed out all gallery spaces with a new suite of exhibitions. *Occulture: The Dark Arts* (opened 12 August, ground floor) is a group show of over 60 works by New Zealand and international artists on the ground floor. *John Stezaker: Lost World* and *Colonial Sugar: Jasmine Togo Brisby and Tracey Moffatt* opened in the upstairs galleries on 26 August. The Gallery did not hold openings this season, instead focussing on strong opening weekend programmes of artist's talks, performance and lectures by Australian gallerist Robert Buratti (*Occulture*) and British artist John Stezaker.
- *Tai Ahiahi///Tai Awatea Curating Māori Contemporary Art Symposium* (7-8 September) held in the Adam Auditorium was attended by more than 80 curators, artists, academics, writers and students. The two day event was organised by City Gallery Wellington, Toi Māori Aotearoa and Victoria University and supported by a Creative New Zealand grant to Toi Māori and, the Manaaki Trust. The full programme included key note papers by Mario A. Caro (USA), George Hubbard (NZ/Australia) and Ngahiraka Mason (NZ/Hawaii), who also gave the penultimate Deane Lecture.
- City Gallery launched a new website and digitised exhibition archive on 27 September.

Pat Stuart
Chief Executive

Key Result Indicators 2017-18

Update on Progress against Targets, as at 30 September 2017 (Q1)

experience Wellington
wellington museums trust

OUR CITY

City Residents' Awareness: The number of Wellingtonians who know about our institutions as assessed through the Annual Residents' Survey conducted by Council.

Residents' Awareness	2017-18 Target	2017-18 Result
City Gallery Wellington	95%	
Wellington Museum	97%	
Capital E	90%	
Cable Car Museum	97%	
Space Place	97%	
Nairn Street Cottage	60%	

OUR VISITORS

Physical Visitation: The total number of visits to institutions including general public, education and function attendees. The annual target is reviewed each year and benchmarked against the average visitation for the institution during the previous three years.

Visitor Numbers	2017-18 Target	2017-18 Result	Q1 Target	Q1 Result	Q2 Target	Q2 Result	Q3 Target	Q3 Result	Q4 Target	Q4 Result
City Gallery Wellington	143,000		45,000	57,911	20,000		35,000		43,000	
Wellington Museum	137,000		30,000	25,675	40,000		42,000		25,000	
Capital E	90,000		27,500	37,774	28,500		8,000		26,000	
Cable Car Museum	237,000		55,200	38,998	59,800		79,000		43,000	
Space Place	52,000		11,500	14,135	13,500		13,500		13,500	
Nairn Street Cottage	2,500		400	648	300		1,500		300	
Experience Wellington Total	**661,500**		**169,600**	**175,141**	162,100		179,000		150,800	

City Gallery's visitation target in Q2 and Q3 of 2017-18 anticipates that the Entrance/Foyer development will proceed.
Wellington Museum visitation may be affected from 2018 through to 2020 if the development proceeds.
Capital E's National Arts Festival for Children boosts visitation in 2017 and 2019.
Capital E's Physical Visitation figures include the Hannah Playhouse.

Key Result Indicators 2017-18

Update on Progress against Targets, as at 30 September 2017 (Q1)

experience Wellington
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Virtual Visitation: The total number of unique user visits to institutional web/mobile sites.

Virtual Visitation	2017-18 Target	2017-18 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	112,000		27,453			
Museums Wellington	84,000		24,574			
Capital E	64,000		9,850			
Experience Wellington Total	**260,000**		**61,877**			

Social Media Profile: A snapshot of Facebook friends, Instagram and Twitter followers.

Social Media Profile	2017-18 Target	2017-18 Result	Q1 Snapshot	Q2 Snapshot	Q3 Snapshot	Q4 Snapshot
City Gallery Wellington	23,000		33,112			
Museums Wellington	14,500		8,727			
Capital E	5,000		5,934			
Space Place	16,000		9,595			
Experience Wellington Total	**58,500**		**57,368**			

Repeat Visitation: the number of visitors who have visited the institution at least once in the previous twelve months. This KRI will not be included in the 2018-19 SOI but we will continue to monitor repeat visitation as a management tool.

Repeat Visitation	2017-18 Target	2017-18 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	40%		80%			
Wellington Museum	25%		14%			
Capital E	50%		70%			
Cable Car Museum	25%		13%			
Space Place	24%		17%			

Capital E's Repeat Visitation figures include the Hannah Playhouse.

Key Result Indicators 2017-18

Update on Progress against Targets, as at 30 September 2017 (Q1)

experience Wellington
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Quality of Visit: Visitor feedback based on comfort, access, experience, knowledge gained, the friendliness of staff, the length of visit and overall enjoyment.

Quality of Visit	2017-18 Target	2017-18 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	90%		90%			
Wellington Museum	90%		91%			
Capital E	90%		95%			
Cable Car Museum	90%		86%			
Space Place	90%		88%			
Nairn Street Cottage	90%		-			

Capital E's Quality of Visit figures includes the Hannah Playhouse.

There was no Visitor Satisfaction Survey completed at Nairn Street Cottage during Q1.

Children & Young People Visiting for a Learning Experience: The number of students as part of a booked group visiting institutions for learning experiences. The delivery of LEOTC is part-funded by the MOE.

Children & Young People Visiting for a Learning Experience	2017-18 Target	2017-18 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	4,500		967			
Wellington Museum	7,000		2,097			
Capital E	20,500		2,827			
Space Place	8,250		2,945			
Experience Wellington Total	**40,250**		**8,836**			

City Gallery's forecast target for 2016-17 is lower than the 2015-16 year in line with the MOE contract.

Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

Capital E holds the National Arts Festival for Children in 2017 and 2019.

Capital E Learning Experience figures include Hannah Playhouse.

Key Result Indicators 2017-18

Update on Progress against Targets, as at 30 September 2017 (Q1)

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OUR SUSTAINABILITY

Non-Council Revenue: The total amount of revenue generated from non-Council sources.

Non-Council Revenue ($'000)	2017-18 Target	2017-18 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	607		144			
Museums Wellington	666		201			
Capital E (inc. Hannah)	1,279		321			
Space Place	600		144			
Sub Total	**3,152**		834			
Sub-letting, Interest & Other	364		39			
Experience Wellington Total	**3,516**		**849**			

City Gallery's revenue in 2016-17 increased due to the Cindy Sherman exhibition and the reduced target in 2017-18 anticipates that the Entrance/Foyer development will proceed.
Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.
Capital E holds the National Arts Festival for Children in 2017 and 2019.
Capital E Non-Council Revenue figures include Hannah Playhouse.

Spend per Visitor: Visitor related revenue (admissions and sales).

Spend per Visit ($)	2017-18 Target	2017-18 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	1.57		0.90			
Museums Wellington	1.41		2.37			
Capital E	3.84		3.14			
Space Place	10.12		8.50			
Experience Wellington Total			**2.56**			

City Gallery's increased spend in 2016-17 relates to the inclusion of an admission charge for the Cindy Sherman exhibition. City Gallery's Spend per Visitor in 2017-18 anticipates that the Entrance/Foyer development will proceed.
Museums Wellington includes Wellington Museum, Cable Car Museum and Nairn Street Cottage.
Capital E is hosting the National Arts Festival for Children in 2016-17 and 2018-19.
Capital E Spend per Visit figures includes Hannah Playhouse.

Key Result Indicators 2017-18

Update on Progress against Targets, as at 30 September 2017 (Q1)

experience Wellington
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COUNCIL'S SUBSIDY PER VISIT

The Council subsidy per physical visitor is calculated first by dividing the number of forecast visits into the operating grant received from Council (Table 1). Council's ownership costs such as insurance, maintenance and depreciation are then added (Table 2) to provide an estimate of the full subsidy per visit. The information regarding ownership costs is supplied by Council.

Table 1: Operating subsidy per visit

Subsidy per Visit ($)	2017-18 Target	2017-18 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	12.50		11.99			
Museums Wellington	5.18		7.44			
Capital E	14.53		7.29			
Space Place	9.89		6.30			
Experience Wellington Total	**10.85**		**9.98**			

Museums Wellington includes Wellington Museum, Cable Car Museum and Nairn Street Cottage.

Capital E includes Hannah Playhouse; the National Arts Festival for Children occurs in 2016-17 and 2018-19.

Table 2: Full subsidy per visit inclusive of Council's ownership costs

Full Subsidy per Visit ($)	2017-18 Target	2017-18 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	18.01					
Museums Wellington	6.97					
Capital E	14.53					
Space Place	14.30					
Experience Wellington Total						

Council's estimated ownership costs are supplied by Council.

SOI Statement of Financial Performance (Excl. SP)

Experience Wellington
For the 3 months ended 30 September 2017

Institution is Unassigned, 10 Trust Office, 30 Capital E, 21 Cable Car, 40 City Gallery, 23 Collections Store, 20 Museum, 25 Naenae, 22 Nairn St, 31 Hannah.

	ACTUAL	BUDGET	YTD ACTUAL	YTD BUDGET
Trading Income				
Trading Income	389,211	489,023	389,211	489,023
WCC Operating Grant	1,658,521	1,658,301	1,658,521	1,658,301
WCC Rental Subsidy	442,245	442,332	442,245	442,332
Sponsorship and Donations	3,805	44,400	3,805	44,400
Grants Other	244,486	282,303	244,486	282,303
Investment Income	4,479	21,000	4,479	21,000
Other Income	48,840	148,623	48,840	148,623
Intergroup Fees	37,801	-	37,801	-
Total Revenue	**2,829,388**	**3,085,982**	**2,829,388**	**3,085,982**
Cost of Sales				
Cost of Sales	119,218	135,592	119,218	135,592
Total Cost of Sales	**119,218**	**135,592**	**119,218**	**135,592**
Net Revenue	**2,710,169**	**2,950,390**	**2,710,169**	**2,950,390**
Operating Expenses				
Employee Costs	1,334,633	1,307,078	1,334,633	1,307,078
Council Rent	334,621	334,707	334,621	334,707
Exhibitions & Programmes	514,033	830,134	514,033	830,134
Marketing & Promotions	95,158	158,618	95,158	158,618
Occupancy Costs	301,147	283,202	301,147	283,202
Communication Costs	36,025	28,264	36,025	28,264
Trustee Fees and Expenses	20,439	21,000	20,439	21,000
Technology Costs	45,465	48,789	45,465	48,789
Professional Fees	6,374	55,625	6,374	55,625
Administration Fees	48,230	44,295	48,230	44,295
Depreciation	137,406	99,698	137,406	99,698
Total Operating Expenses	**2,873,530**	**3,211,410**	**2,873,530**	**3,211,410**
Net Surplus/(Deficit)	**(163,360)**	**(261,020)**	**(163,360)**	**(261,020)**

SOI Statement of Financial Performance Space Place

Experience Wellington
For the 3 months ended 30 September 2017

Institution is 26 Space Place.

	ACTUAL	BUDGET	YTD ACTUAL	YTD BUDGET
Trading Income				
Trading Income	121,727	135,450	121,727	135,450
WCC Operating Grant	89,072	88,485	89,072	88,485
Sponsorship and Donations	80	249	80	249
Grants Other	36,632	25,499	36,632	25,499
Other Income	(14,266)	-	(14,266)	-
Total Revenue	**233,245**	**249,683**	**233,245**	**249,683**
Cost of Sales				
Cost of Sales	8,342	11,376	8,342	11,376
Total Cost of Sales	**8,342**	**11,376**	**8,342**	**11,376**
Net Revenue	**224,903**	**238,307**	**224,903**	**238,307**
Operating Expenses				
Employee Costs	196,497	175,267	196,497	175,267
Exhibitions & Programmes	18,961	24,101	18,961	24,101
Marketing & Promotions	19,080	23,129	19,080	23,129
Occupancy Costs	13,017	18,137	13,017	18,137
Communication Costs	2,523	2,530	2,523	2,530
Technology Costs	-	1,350	-	1,350
Professional Fees	17	18,750	17	18,750
Administration Fees	3,905	5,471	3,905	5,471
Depreciation	3,873	2,751	3,873	2,751
Total Operating Expenses	**257,872**	**271,486**	**257,872**	**271,486**
Net Surplus/(Deficit)	**(32,969)**	**(33,179)**	**(32,969)**	**(33,179)**

Statement of Financial Position

Experience Wellington
As at 30 September 2017

	30 SEP 2017	30 JUN 2017
Assets		
Fixed Assets		
Property, plant and equipment	2,005,219	2,067,147
Collections and Artefacts	2,338,816	2,338,816
Intangible assets	14,324	15,896
Total Fixed Assets	**4,358,360**	**4,421,859**
Current Assets		
Inventory	141,018	141,018
Trade and other receivables	605,248	641,167
Cash and Cash equivalents	3,116,778	879,685
Total Current Assets	**3,863,043**	**1,661,869**
Total Assets	**8,221,403**	**6,083,728**
Liabilities		
Current Liabilities		
Trade and other payables	3,634,103	1,300,099
Employee benefits	269,585	269,585
Total Current Liabilities	**3,903,688**	**1,569,683**
Total Liabilities	**3,903,688**	**1,569,683**
Net Assets	**4,317,715**	**4,514,045**
Equity		
Reserves	2,601,388	2,601,388
Retained earnings	1,716,327	1,912,657
Total Equity	**4,317,715**	**4,514,045**

Statement of Financial Position | Experience Wellington

Statement of Cash Flows

Experience Wellington
For the 3 months ended 30 September 2017

	JUL-SEP 2017	JUL-SEP 2016
Cash Flows from Operating Activities		
Cash was provided from:		
Receipts from customers	1,042,285	843,867
Receipts from related parties	4,465,577	4,201,998
Total Cash was provided from:	**5,507,863**	**5,045,865**
Cash was applied to:		
Payments to suppliers and employees	(2,846,887)	(3,250,514)
Payments to related parties	(61,013)	-
Net GST received/(paid)	(296,335)	(217,678)
Total Cash was applied to:	**(3,204,235)**	**(3,468,192)**
Total Cash Flows from Operating Activities	**2,303,627**	**1,577,673**
Cash Flows from Investing Activities		
Interest received	10,679	(680)
Payment for property, plant and equipment	(77,523)	(67,970)
Total Cash Flows from Investing Activities	**(66,845)**	**(68,650)**
Net Cash Flows	**2,236,783**	**1,509,023**
Cash Balances		
Cash and cash equivalents at beginning of period	873,193	1,714,486
Cash and cash equivalents at end of period	3,109,976	3,223,509
Net change in cash for period	2,236,783	1,509,023

WREDA
Wellington
Regional Economic
Development Agency

Q1 Report

2017/18

July - September 2017

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EXECUTIVE SUMMARY

The first quarter of the 2017-18 year has been bookended by two very significant events that have delivered to Wellington in regard to direct cross-regional economic impact, social impact, the telling of our destination story through sport and the creative sector, and the profiling of the region to people across New Zealand, Australia and the world beyond as a place that is vibrant and an exciting destination. These events – The British and Irish Lions Tour and the record-breaking season of the World of Wearable Arts together demonstrate so much of why the world gets excited about Wellington.

This quarter we have introduced a new strategic framework to help communicate our work in a clearer and more visionary way. The WREDA Big 6 – our strategic priorities and actions for the year ahead, outlines the areas we believe will provide Wellington the best bang for its economic buck. All our activities for this financial year will be filtered and measured against these six priorities; 1. Supercharge Wellington's Events 2. Pump NZ's creative heart 3. Accelerate the big projects 4. Talk-up Tech 4. Sell student city 6. Ramp up business growth.

Talking up Tech is showcased by the first 19 'LookSee' candidates and their families who have moved here for a new job and our **Selling of Student City** has helped deliver 9% growth in international students who have chosen Wellington as the place to pursue their studies. These results are not accidents but the result of the investment that WREDA with its partners in the technology and education sectors have made to profile Wellington as a place to live, work and study and then to actually convert that raised profile into growth.

In the venues we manage for Wellington City Council, **Supercharging Wellington's Events** is in full force with a first quarter that has been beyond our expectations. This result is one that we have growing confidence in. The appointment of Ticketmaster as our exclusive ticketing agent is bringing new performance product to Wellington. We will now look to see how we can use the platform created to better provide for supporting the grass roots of the creative sector in Wellington.

The appointment of a new set of catering partners to our venues provides by contract the guarantee that be they patrons of events or delegates at conferences our customers will experience the very best of the region's food and beverage offering.

The Hurricanes and All Blacks playing the Lions within a week in Wellington was no chance occurrence. WREDA's long standing relationships serve the city and region well in securing the events that continually mark the city down as the place that hosts the best events in New Zealand. Writing this now in November, our securing on consecutive weekends of the All Whites play-off game and the Kiwi's tie in the quarter finals of the Rugby League Cup will further that reputation.

Together with CHQ we're **Ramping Up Business Growth** with plans for 'Venture Up Wellington', scale-ups and a City Hack event. Our Business Growth team now leads for the region the relationship with 'YES' – the Young Enterprise Scheme; this is an important opportunity to link the creative entrepreneurs leaving high school with the start up and accelerator initiatives that CHQ delivers. At the same time our Regional Business Partner Programme has already this year worked with 156 businesses that are flourishing in various sectors across the region.

Across all these activities our marketing team has been busy telling the story of **NZ's Creative Heart**. Working with Wellington On a Plate and Beervana, 95 WREDA-led stories were published telling of our food and beverage products and experiences across the

region. Our activations in Australia have partnered with many including Singapore Airlines, Air New Zealand, Tourism New Zealand and Expedia. Our message in these markets has been all about the region being 'the creative heart of New Zealand'. The results have been impressive with all those partners reporting increased business on the back of our activity with them.

It's good to know as we head into summer that our region is succeeding in getting famous. Pop icon Ed Sheeran told the world this week from his UK home that if he could live anywhere it would be Wellington. At the same time Lorde was telling 2500 fans in the Michael Fowler Centre just how beautiful the venue and city were. From China we've seen real growth in tourism numbers ahead of the rest of the country following a Tourism New Zealand hosted Chinese megastar, film director Wu Ershan, telling his story of why Wellington is special to millions of his countrymen.

Last week a group from the office went out to learn more about the world of Alternative Reality and its various spin-offs. The telling of the stories about all the clever and creative things that happen in the region is key to Wellington being seen as a real option for people from other places to invest in. The 36 stories we've had published across Australia telling this raise further interest in Wellington beyond the normal expectations of New Zealand.

We need to make sure the region delivers on the promise.

That's why we'll be looking during the rest of this year to **Accelerate the Big Projects** – seeking confirmation of the Convention Centre, progress on an Indoor Arena, further understanding of the investment and social development opportunities that the opening of Transmission Gully will create for the region and WREDA will be looking to play its part in those projects – and others that our stakeholders identify with us – across the region.

We may be getting famous but we need to keep ahead of the pack.

Derek Fry
Interim Chief Executive

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1. WREDA ACTIVITY REPORT

1.1. BUSINESS GROWTH AND INNOVATION

BGI started the financial year well. After the development of a focussed business plan BGI is starting to deliver on it.

The team is continuing to work closely with Creative HQ. We have embarked on plans for Venture Up Wellington, scale-ups and a City Hack event. BGI have also taken over client management of support and funding for Young Enterprise across the Wellington region, for both WCC and GWRC.

The good work we have done to reinforce Wellington as a student city is seeing strong results.

We are working hard to develop investment attraction and export international activity. We were in market in Canberra in July. We took education representation and also met local entrepreneurs, start-up businesses and science communities.

- **Regional Business Partner (RBP) Programme**

Through the Regional Business Partner Programme, funded by NZT&E and Callaghan Innovation, we provide regional businesses with access to mentorship, capability development, and R&D support services and funding. $500,000 of voucher funding is available in the FY17/18 financial year.

- **Business Innovation Support**

The first quarter has seen a good volume of activity and several interesting opportunities as we continue to engage with high-value product and services business from the region, to augment the pace of their technology innovation and the success of its commercialisation and help them access R&D grants through Callaghan Innovation.

We have introduced a bi-monthly innovation forum and have run workshops to introduce Callaghan services to our wider client-base.

- **Regional Delivery & Events**

We have successful held many regional events and initiatives, designed to increase the reach of our business growth services. These have included a Pop-Up business school in Porirua, a Hutt Chamber business clinic, participation in the Hutt Chamber's business expo and a Business After 5 with the Kapiti chamber and a presentation and networking event with the Martinborough Business Association.

- **Wellington International Student Growth Programme**

The most recent figures (July) show that Wellington's Total Student Visas for YTD increased 9% (+355) compare with 2016. This included increases in first time visas (+10%) and returning student visas (+8%). By percentage, Wellington's growth continues to be the highest of the regions. Markets showing an increase include China, Colombia and Vietnam.

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Activities during this period have included a successful promotional trip to India. Leveraging the LookSee database, we also sent a promotional email to the approximately 7000 candidates from India, to drive their interest in post graduate IT study in Wellington. A number of LookSee candidates ended up attending the student fairs in India.

- **LookSee**

The LookSee campaign was named winner of the Economic Development Association of NZ inaugural Innovation Award. The project was also named as a finalist in the NZ Innovation Councils Innovation Awards.

Currently there have been 19 converted LookSee candidates who have accepted offers, and there are many others still in negotiation. An informal welcome event was held for a number of the candidates and their families. Interestingly 2 candidates have accepted offers with local employers despite not being on the LookSee trip in May.

We continue to work to encourage Wellington employers to take advantage of the database of 48,000 motivated tech candidates.
LookSee 2.0 is under discussion and we are confident we have a new approach that will continue the momentum generated in the first year.

- **Summer of Tech**

We continue to support Summer of Tech as the programme progresses.

- **Skills**

We have worked with GWRC to facilitate a skills workshop, with a range of stakeholders. The intent is to identify gaps in provision that WREDA can address in the future.
delivered a significant return on investment.

- **Creative Industries/Tech**

We're actively supporting through a partnership agreement relating to the new co-working space for AR/VR and teams at ProjectR. We are one of the main sponsors in the first "Black Pages report" on the future of AR/VR.

We are working together with KOTRA – NZTEs counterpart for Korea on an exchange incubator programme for game developers and tech start-ups in collaboration with CHQ.

We hosted in a CEO in Tech cluster workshop, which the CEOs got a lot of value from a safe and trusting environment to discuss their ideas.

We're building a framework to help bring inspiring speakers from overseas to Wellington to assist the Wellington business and start-up community.

Together with Callaghan Innovation we've hosted the Wellington Chapter of the Innovation Forum.

- **Food & Beverage / High Value Manufacturing**

We attended a joint WREDA / Wellington Wine Country workshop in Martinborough to decide on areas of common interests between the two organisation.

Development of a Market Engagement Plan for activity in Auckland, Melbourne and Singapore in conjunction with our F & B Forum.

We co-organised the Wairarapa Cropping Workshop with the Foundation of Arable Research and Masterton District Council.

- **Screen Sector**

Infrastructure Investments remains a key part of Screen Wellington's activities so the industry has room for growth and sustainability. Currently looking for external investment opportunities and working with the Avatar team on their requirements.

We have delivered the inaugural Screen Wellington meet uup.

We have been in market in LA and Singapore.

- **Science & Commercialisation**

We have met with over 30 stakeholder organisation in mapping the regional science sector.

Connecting WREDA with those involved in research commercialisation to connect them with the tools, connections, investments and support they need.

Great discussion with the British High Commission in support of a possible future Researcher/Investor trade trip from the UK to Wellington.

1.2. PARTNERSHIPS AND EVENTS

- **Business Events Wellington**

The Business Events Wellington team had a successful start to the financial year, winning 6 international conferences. These events will inject a projected economic value of $3.8 million into the Wellington econcomy. The team has also won 3 national conferences, with a projected value of $1.8m. These conferences are:

International
ISCRAM – International Systems for Crisis Response & Management 2018 (550 delegates)
Nectar Creative Communications 2018 (300 delegates)
Asia Pacific Early Childhood 2019 (550 delegates)
VC Tour 2018 (170 delegates)
Kyani Roadshow 2018 (170 delegates)
EWM 2017 – (300 delegates)

National
New Zealand Veterinary Association 2018 (200 delegates)
House of Travel 2018 (850 delegates)
Beef & Lamb NZ 2017 (120 delegates)

- **Major Events**

Investment into the Major Events portfolio showed strong returns in the first quarter, with 116,344 people attending events in the portfolio, with the estimated direct spend from out of region visitors being an estimated $35M. Events in the first quarter included

British and Irish Lions

The test was successfully hosted in Wellington on July 1. This represented a truly "all of WREDA" effort with Major Events, Destination Marketing, Media, Trade Tourism, Venues and BGI all working on various parts of the planning, promotion, operational delivery, activations and leveraging. With an estimated 26,000 visitors from out of region for the test, the week had a significant impact on the regional economy. Along with the direct economic spend, the week of activity garnered significant media exposure for the Wellington region. In the local media, WREDA was well profiled and positioned as playing a key role in maximising the opportunity of the week for Wellington.

Beervana

Wellington was reaffirmed as the craft beer capital, with the biggest Beervana yet with a record number of breweries from New Zealand, Australia and the USA attracting 14,000 across the two days, including 4000 out of region visitors.

Wellington on a Plate

Wellington on a Plate celebrated all things culinary in August, with special events, Dine Wellington and Burger Wellington getting Wellingtonians out and into the eateries of the region. The ticketed events issued over 8000 tickets, with 7% being sold outside the region.

World of WearableArt Awards Show

The quarter ended with the World of WearableArt Award show season. Overall just over 60,000 people attended the show season, with 67% of tickets sold being sold outside of the Wellington region. Full results will be reported in Quarter 2.

- **Performance Events**

With the Venues team delivering performance events in the first quarter, it has been an equally busy first quarter ensuring that the programme of events for the upcoming months is secured. The content acquisition of the Cirque Éloize show Cirkopolis in December is an exciting development made possible through the partnership with Ticketmaster. The forward programme for music acts is looking strong with Alice Cooper (Oct) Lorde (Nov), Alt-j (Dec), Angus & Julia Stone (Dec), Six60 (Jan), Macklemore (Feb) The Killers (April) amongst the highlight acts that have been secured in the first quarter.

- **Partnerships**

Singapore

The Partnerships team coordinated and WREDA wide mission and activation in Singapore. Working with Singapore businesses (Investment, tech, screen and education), we held a Wellington Inc. showcase event on Monday 10 July. Four WREDA Business units also undertook their own activity in Singapore to support the Singapore Airlines route and then joining together for a hosted Wellington Inc. Function. This included:

- BGI held meetings with experts across Investment, Start-ups, Incubators, Film and Tech
- Meeting with international student agents alongside several Wellington colleges and tertiary institutions who are joining him in market
- Trade tourism, and 13 of Wellington's tourism operators, trained 100 frontline Travel Agents through Tourism New Zealand's Kiwilink programme
- BEW, and 11 of Wellington's tourism operators, trained 50 Business Events, Incentives and premium agents through Tourism New Zealand's Kiwilink programme
- The Wellington Inc. hosted function on Monday 10 July showcased Wellington by way of its people, produce, beverages and events to a selected invitee list from the various industries listed above as well as our colleagues at NZ Inc.

Hila Oren

In association with TSB and Wellington City Council, WREDA hosted Hila Oren in Wellington on August 16 and 17. Hila Oren was the founder and CEO of Tel Aviv Global, the organisation responsible for the development and implementation Tel Aviv's positioning as a global city. Hila spoke at the Wellington Global luncheon to invited business, civic and cultural leaders.

Wellington in Canberra

WREDA delivered in early October to leverage WCC's sister city relationship between to the two capitals, and supporting the Singapore Airlines direct service as a way of attracting visitation to Wellington and promoting trade and other opportunities. The activity included a

Civic function, along with a consumer facing "Pop-up Wellington" with the best of Wellington food and beverage was showcased at a public event in Canberra.

1.3. DESTINATION & MARKETING

The first three months of the new financial year have been productive ones in the Destination & Marketing business unit. Consumer campaigns have been live in Australia and New Zealand. Lions, Beervana, Wellington on a Plate and WOW campaigns and activations have kept a focus on events.

Two team goals of bringing the 'Study' site inside WellingtonNZ.com and setting a new more targeted course for the promotion of live events in Wellington have been attained. In the international travel trade space, the visit to Singapore with 15 businesses is already beginning to deliver better tourism results from that market.

Tourism New Zealand's continued activity promoting Wellington in key cities in China continues to deliver engagement results that we now look to convert into visitation as we work with key partners to re-examine our key tourism markets strategy and consider ways to increase investment in China and Australia.

- **Marketing & Destination Media**

  Australia
  Initial results for our winter campaign in Australia – '*Welly like a Local'* – show a 14% increase of followers across target markets on our social channels, a reach of over 4.5m from 65 social or blog posts, and over 5,500 entries to the TimeOut competition.

  The campaign saw a number of Australian social media influences travel to Wellington, with content posted on their channels and amplified across ours.

  Our Australian Spring camping, targeting Canberra, Melbourne, Sydney and Brisbane went live during mid-September. '*Discover Wellington, NZ's creative heart'* was developed off the back of research from Tourism NZ. This campaign saw 1 minute videos and 15 second cut downs, pushed across social channels and YouTube. This was viewed by 1.6m people in Australia. We worked with Expedia as our conversion partner, the result they saw was a 37% year on year increase in room nights sold – worth approximately $237,000 in additional bookings.

  We partnered with Air NZ on a week-long tactical sales campaign to support weaker than expected Trans-Tasman forward bookings. The result was an additional 1649 seats booked.

  New Zealand

  We have developed a spring/summer mini magazine promoting Wellington as a visitor destination – 178,000 copies are to be distributed in key domestic and urban Australia markets through magazine and newspaper insertions during October and November.

  Why Wellington? It's Personal

Our domestic place-making and talent attraction campaign, *Why Wellington? It's Personal*, performed above expectations.

The results show that the campaign was highly impactful amongst our 25-39-year-old target audience, helping us reach a much larger audience than we paid for. People spent 4-7 mins reading each article. Higher than anything we've seen previously for a native partnership. 935,062 completed views across digital channels. TV reached almost 40% of our targeted 25-39-year-old audience.

Major & performance Events
In September, we rolled out a new events brand and marketing campaign to promote live performance events in Wellington – LIVE in WLG. It has been designed to help connect audiences with great live experiences, support our clients and partners in marketing their events and reinforcing Wellington's reputation as the cultural capital. It includes a new fortnightly eDM, 4 seasonal events videos a year, a seasonal street poster, a monthly native media partnership with Fairfax and promotion in our Venues.

Through our marketing work Visa Wellington on a Plate channels grew 19.8% YOY through this year's campaign periods and out of town ticket sales were sitting at 7.15% for ticketed festival events.

For the World of Wearable Arts, we developed a new city excitement activation – *Welly loves WOW*, including huge letters on the waterfront to prompt social picture sharing under the #wellyloveswow tag. We are in discussion with Wellington City Council Arts regarding the development of a permanent 'Love Wellington' installation

PR
WREDA hosted famils and generated media activity in Australia and NZ. These activities resulted in a total of 388 media results across our destination / lifestyle / events & innovation/start-up media activities.

Tourism NZ launched high impact campaigns that were Wellington centric – including a partnership with National Geographic and Bryce Dallas-Howard, along with The Heart of the Long White Cloud. These promotions generated strong media coverage.

The US campaign we worked on with Tourism NZ, The Ultimate New Zealand Experience, has resulted in 146 media articles that feature Wellington, including Hollywood Reporter, Vogue and ELLE, a total EAV of $8 million.

The British & Irish Lions tour provided the opportunity to generate media stories regarding the important economic impact on the region, including several stories on the 6pm news slots.

Corporate PR promoted WREDA programmes and interests, including the first LookSee offers and arrivals, Wellington's mission to Singapore, the opening of the Miramar Creative Centre and the announcement of two All Black Tests for Wellington in 2018.

- **Digital Marketing**

WellingtonNZ.com received 534,646 visits between July to October from 362,000 unique users. Throughout Quarter 1, over 1 million pages were viewed, with top content including eat & drink, sights & activities and events sections of WellingtonNZ.com.

The largest volume of visitors came from New Zealand, Australia, USA, United Kingdom and Singapore, with USA and Singapore showing high year-on-year growth.

Our social media channels reached over 15.2 million users during Quarter 1 meaning our Wellington messaging is reaching approximately 170,000 people per day. This is up 73% QOQ on the last quarter of the 2016/17 financial year, due to extremely strong performing WOW related content.

Overall, engagement remains high when comparing to other industry channels. Comparing engagement per 1,000 fans, Wellington sits at 460 compared to Auckland at 163, NewZealand.com at 71, and Australia.com at 312.

A newly developed study hub, WellingtonNZ.com/study launched. Leveraging WellingtonNZ.com's one platform approach, StudyinWellington.co.nz was incorporated into the new build, as well as refreshed content and a searchable database enabling international students to search for options within the Wellington Region.

A small social media campaign, the Welly Edit, ran during September to help promote Wellington-made products and retail businesses. Run across social media channels, the primary objective of the campaign was to help increase brand awareness of the partner products, with the tangible objective of increasing referral traffic to their websites via links on the WellingtonNZ.com campaign page. The campaign reached 165,000 users, received 4,900 entries and generated 1,880 referrals to partner businesses.

- **Travel Trade Marketing**

Aligning with Tourism New Zealand's KiwiLink India & Frontline Training Singapore event, WREDA organised a delegation of 15 Wellington businesses to participate in 'Mission Singapore' which included a networking function, sector business appointments and PR opportunities. The delegation included a variety of tourism industry participants including Weta Workshop, hotels and representatives from Destination Wairarapa and Hutt City Council. 110 Travel Agents were trained. For the first time at a TNZ event, Wellington operators outnumbered Rotorua and Queenstown's presence.

WREDA was one of 35 NZ companies, regions and airlines to meet with 42 well qualified Indian companies for decision maker appointments at TNZ's Kiwilink India. This was followed by a Delhi training day with around 75 frontline NZ specialist agents.

WREDA participated in Tourism New Zealand's Treasures of NZ Showcase in July covering 4 cities in 4 days with the aim of educating the US travel trade on the wider Wellington Region. Over 430 operators were trained.

An additional 68 North American agents participated in a co-hosted Tourism New Zealand and 'Classic NZ Wine Trail' training webinar in August, with 152 receiving follow up itinerary and product information.

The national Cruise Conference was held in August, growth remains robust and forecasts anticipate 175,000 visitors to Wellington this season, rising to around 245,000 in 2018/19.

1.4. VENUES & DESTINATION DEVELOPMENT

During the first quarter, our Venues have hosted many significant events. The period started with hosting over 4,000 Lions fans at events in our venues and concluded with a record season of WOW.

During the period, we have embedded a new ticketing agent into our systems – Ticketmaster – and begun to benefit from their network in securing an increased number of events in the future.

We have also appointed a new panel of corporate caterers led by Sarah Serancke catering from Tawa and a sole retail provider, Collective. Of the four catering suppliers, we are now working with three are based in Wellington and the other is a New Zealand company with a significant footprint in Wellington city. We have used the appointment of new caterers to ensure that they and we, hero Wellington regional produced and manufactured food and beverage across as broad a range of catering options as possible.

Under the intent of the Venues Management Agreement we continue to meet with WCC Property and develop a spending plan across the venues for coming years, to maintain and retain the operational standards we require for our clients.

Our facilities team are involved in the wider St James EQ strengthening project and ensuring that Opera House readiness project continues, with development items moving from feasibility and costing into delivery, ready for the St James closure. These projects include safety measures, improved electrical supply and air handling systems.

In the TSB Arena, we have installed new drapes to assist our clients with theming and for use in that venue we have purchased new flat floor seating.

- **Sales**

Our Venues delivered over 60 business events and conferences in the first quarter with over 57,000 delegates. We were proud to host the Lions Supporter Village and Gala dinner for over 4,000 international supports. Visitation to our Venues can be measured in many ways, one way we can see is by out of town expenditure as the result of out of town visitors to these types of events. Venues patrons in the first quarter from outside the region spent over $20m in Wellington.

Performance and exhibitions in the period delivered 76 events and over 104,000 patrons, with over 26% being out of town visitors. Performance highlights in the first quarter include the Royal NZ Ballet Romeo & Juliet season and Tu Tangata Poly Fest (this at second year for a sell-out).

The Venues sales team have been in market in Sydney attending the inaugural industry tradeshow Get Global and client hosing. Both teams are also regularly fielding queries on timing/sign off on the new convention centre so the teams are excited as the confirmation of this project appears to be drawing near.

- **Destination Development**

Work continues alongside WCC to secure partner agreement and investment in regard to both the Convention Centre and the Civic Music Hub.

Working with WCC and GWRC has commenced on the development of ideas relating to the construction of a performance events area in Wellington.

The Regional Trails Framework has now been approved but both the Councils CE forum and the mayoral forum. The framework looks to provide a consistent Trails experiences (for bikers, trampers, runners and horse riders) across the region. The decision by the working

group has been that the resource to implement the strategy will be best placed in WREDA as the person will need to be both cross regional and highly involved with marketing delivery.

We have been working with Porirua City Council on the proposal to develop an 'Adventure Park' on Colonial Knob.

- ***i-SITE***

The i-SITE was cruise season ready by the endo fo the first quarter, welcoming the first ship early in Q2. We managed to retain most of the Wellington City Ambassadors volunteers from the previous season so only a small amount of recruitment was required.

With the departure of the second tenant at the front of the MFC we have begun working through plans and consents to convert the whole space in the building to an i-SITE, to assist with constraint issues form only previously having a portion of it whilst taking on an expanding set of activities to boost revenues and customer service provision.

1.5. CREATIVE HQ

CHQ currently has 18 startups on the CHQ platform for high growth/incubation. Currently all 18 are based in Wellington.

There has been one investable company to date this financial year and 2 investable companies are lined up for exit from the incubation programme.

During the period CHQ has been finalising arrangements for 3 future acceleration programmes, including the Scale Up Programme being run alongside WREDA the parent, the Kiwibank Fintech 2 Accelerator and the Kokiri accelerator, which CHQ are supporting.

56 applications have been received for the next Venture Up (youth acceleration) programme in Wellington.

CHQ have been requested to represent NZ at the World Bank's Inaugural Global Innovation Forum – Leveraging Exponential Technologies for Competiveness and Development. Brett Holland will present on the lessons learned from three years of GovTech acceleration (R9) in NZ.

During the quarter, the Fonterra Disrupt and Lightening Lab Electric accelerations were delivered.

2. FY2018 KEY PERFORMANCE INDICATORS

Programme of Activity		Measure	2017/18 Target	YTD Actual Q1	YTD Budget Q1	2017/18 Forecast
Grow Business and Innovation	Business Support Development	No. of companies on the scale-up programme	10	0	0	10
	Sector Events	No. of events supported in key sectors.	3	3	2	3
	Regional Business Partner Programme	Number of actively supported businesses	445	156	111	445
	Creative HQ	No. of Wellington start-up ventures and early stage businesses on the CHQ Platform	25	5	0	25
		No of acceleration programmes (Lightning Lab and Venture Up)	2	2	0	2
		No. of members in "Start-up Garage"	3,000	2,675	2,500	3,000
		No. of companies becoming investable	5	1	0	5
Attract Business and Investment	Screen Wellington	Conversion rate of logged enquiries to confirmed production or business	25%	38%	25%	25%
		Value of facilitated screen production	$100m	$1.985m	$20m	$100m
		Customer satisfaction survey	80%	N/A	Annual figure	80%
	Grow businesses and innovation	Number of jobs created from WREDA intervention	335	N/A	50	335
Attract, Retain and Grow Talent	International Student Attraction	International student visas	6,930	4,994	4,700	6,930
		International student enrolments	9,200 (+8.2%)	N/A	Annual figure	9,200 (+8.2%)
		NZ Market share of International students	7%	7%	0.1	7%
	Student Employment Pathways	Interns placed in priority sectors	225	102	50	225

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	Talent Attraction	Net permanent and long-term arrivals	3,600	1,099	1,100	3,600
		Wellington share of total net permanent and long-term arrivals	6%	5.5%	5.4%	6%
Nurture Environment Conducive to Economic Growth	**Policy Advocacy**	No. of significant government policy changes successfully influenced for Wellington's benefit	2	0	0	2
	Partner / Stakeholder Engagement	Partner/Stakeholder satisfaction score with engagement	80%	Annual measure	Annual measure	80%
	Iwi Economy	Mana Whenua satisfaction score with engagement	Set baseline	Annual measure	Annual measure	Set baseline
Grow the Visitor Economy	**Visitor Marketing Campaigns**	Total Commercial Guest Nights	3.2m	0.679m	0.7m	3.2m
		Visitor spend: Total	$2.6b	$540m	$560m	$2.6b
		- International	$860m	$155m	$160m	$860m
		(of which from Australia	$240m	$54m	$40m	$240m
		(of which from China)	$79m	$14.6m	$15m	$79m
		- Domestic	$1.7b	$380m	$400m	$1.7b
		Australian arrivals via Wellington Airport	160.9K	32.8k	34k	160.9K
	Business Events Wellington	NZ market share multi-day conferences	18%	N/A	18%	18%
		Number of international business event bids submitted and/or supported in FY	20	8	5	20
		Value of business events (international and domestic) secured in FY	$15m	$5.6m	$3.75m	$15m
		Value of expenditure by out of town venue attendees	$45.4m	$20.167m	$9.08m	$45.4m
	Venue Management	Advance the Cultural well-being of Wellington – Number of Wellingtonians attending performance events at Venues Wellington	290,720	76,827	58,144	290,720

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	Venue Management	Total number of Events:	624	139	140	624
		- Performance	320	76	64	320
		- Conference	304	63	76	304
Promote Wellington's Brand and Unique Identity	**Major Events Programme**	ROI via out of Wellington spend	20:01	Annual measure	Annual measure	20:01
		Economic value of major events invested in.	$80m	$35m	$22m	$80m
		Total event attendance	700,000	116,344	120,000	700,000
	Media Programme	Visitor attraction stories in NZ, Australian media	500	111	125	500
		Live, work, do business, invest stories in local NZ and Australian media	85	36	21	85

Macroeconomic -Benchmark Indicators

Benchmark Indicator	2017/18 Target	YTD Actual Q1	YTD Budget Q1	2017/18 Forecast
Wellington real GDP growth	3.0%	N/A*	3.0%	2.9%
Wellington employment growth	2.5%	2.7%	2.5%	2.5%

*Due 23/11/17

3. WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY CONSOLIDATED 1st QUARTER FINANCIAL REPORT AS AT 30 SEPTEMBER 2017

(EXCLUDING VENUES PROJECT)

STATEMENT OF COMPREHENSIVE INCOME	YTD Actual 30-Sep-17	YTD Budget 30-Sep-17	Variance YTD	FY Forecast 30-Jun-16	FY Budget 30-Jun-16	Variance 30-Jun-16
Revenue						
Event revenue	0	0	0	0	0	0
Shareholder grants	6,400,487	7,051,005	(650,518)	23,712,491	23,712,491	0
Government grants	395,718	163,699	232,019	654,800	654,800	0
Partner revenue	290,570	773,000	(482,430)	1,460,500	1,460,500	0
Visitor Centre	478,513	358,360	120,153	2,300,000	2,300,000	0
Sub lease and carpark revenue	25,146	12,000	13,146	24,000	24,000	0
Interest income	23,289	20,023	3,266	64,092	64,092	0
Other income	500,010	275,001	225,009	1,257,504	1,257,504	0
Total Revenue	8,113,733	8,653,088	(539,355)	29,473,387	29,473,387	0
Direct Costs						
Cost of sales	412,825	287,799	(125,026)	1,900,000	1,900,000	0
Wages (events etc)	0	0	0	0	0	0
Other direct costs	0	0	0	0	0	0
Total Direct Costs	412,825	287,799	(125,026)	1,900,000	1,900,000	0
Operating Expenses (overheads)						
Salaries and wages	2,686,819	3,378,556	691,737	13,249,189	13,249,189	0
Other employment costs	139,187	119,497	(19,690)	470,879	470,879	0
Occupancy costs	154,473	98,915	(55,558)	395,660	395,660	0
Marketing & activity expenses	3,424,743	3,848,379	423,636	11,835,954	11,835,954	0
Utilities	14,352	14,999	647	58,796	58,796	0
IT and communications	84,572	145,472	60,900	420,411	420,411	0
Insurance	0	0	0	16,000	16,000	0
Administration costs	171,722	232,647	60,925	584,533	584,533	0
Vehicle expenses	12,542	11,928	(614)	47,712	47,712	0
Travel costs	55,457	33,048	(22,409)	133,592	133,592	0
Professional fees	30,813	10,000	(20,813)	30,000	30,000	0
Director fees	53,019	37,500	(15,519)	150,000	150,000	0
Other operating expenses	0	0	0	0	0	0
Total Operating Expenditure	6,827,699	7,930,941	1,103,242	27,392,726	27,392,726	0
Total Expenditure	7,240,524	8,218,740	978,216	29,292,726	29,292,726	0
Net Surplus/(Deficit) before Depreciation and Tax	873,209	434,348	438,861	180,661	180,661	0
Interest expense	0	0	0	0	0	0
Depreciation	34,030	35,085	1,055	133,481	133,481	0
Movement in investment valuation	0	0	0	0	0	0
Taxation expense	0	0	0	0	0	0
Net Surplus/(Deficit)	839,179	399,263	439,916	47,180	47,180	0

WREDA has a sound financial start to the financial year. Costs continue to be contained, allowing early forecasting for the full financial year to soon occur and potential reallocation of administrative savings to front line projects.
The 'blip' in Shareholder revenue is purely the result of our initial timing of budgets and is on track to be on budget as we move through the financial year.

Some of our partner revenue was originally planned to be invoiced earlier in the financial year, this has now occurred in October and some "other income" has been reclassified to partner revenue during Q2. We anticipate being on track to meet budgeted partner revenue targets.

Our other income is up as it continues to be assisted by unbudgeted revenues from our ticketing content acquisition fund and the utilisation of WREDA's share of the Venues Project

2017 surplus. These funds are being used to drive both additional content in our Venues and to assist with projects that benefit the Venues.

Our salaries and wages continue to be lower than anticipated as we delayed the hire of multiple positions within the organisation as we further defined and developed our FY17 plans. Additionally, our Venues business has been successful in continuing to work out optimal levels for casual staffing during performances and events.

The reduction in our marketing expenditure is timing only and is on track to continue to increase during the financial period.

An increase in occupancy costs have been driven out of CHQ, as CHQ increases capacity of short term leased premises to enable delivery of programmes of work.

STATEMENT OF FINANCIAL POSITION	As at 30-Sep-17	Budget 30-Sep-17	FY Forecast 30-Jun-18	FY Budget 30-Jun-18
Shareholders Equity				
Paid up capital	1,000	1,000	1,000	1,000
Retained earnings	2,443,298	3,333,054	1,518,256	1,518,256
Total Shareholder/Trust Funds	2,444,298	3,334,054	1,519,256	1,519,256
Current Assets				
Cash and cash equivalents	3,068,731	2,518,114	1,618,445	1,618,445
Other current assets	917,374	540,725	595,724	595,724
Total Current Assets	3,986,105	3,058,839	2,214,169	2,214,169
Investments	1,413,177	1,400,000	1,400,000	1,400,000
Non-current Assets				
Fixed assets	420,547	317,450	288,200	288,200
Other non-current assets		0	0	0
Total Non-current Assets	420,547	317,450	288,200	288,200
Total Assets	5,819,829	4,776,289	3,902,369	3,902,369
Current Liabilities				
Accounts payable	552,884	623,313	1,262,677	1,262,677
Other current liabilities	2,822,647	818,922	1,120,436	1,120,436
Total Current Liabilities	3,375,531	1,442,235	2,383,113	2,383,113
Non-current Liabilities				
Total Liabilities	3,375,531	1,442,235	2,383,113	2,383,113
Net Assets	2,444,298	3,334,054	1,519,256	1,519,256

WREDA is currently financial sound, with no cash flow issues. At September end the group was holding $3m of cash. This will fall throughout Q2, until our next major funding round in January 2018.

WREDA is currently holding significant revenue in advance, the majority of which will be released to the P&L during the next quarter as projects are completed.

STATEMENT OF CASH FLOWS	YTD Actual 30-Sep-17	YTD Budget 30-Sep-17	Variance YTD	FY Forecast 30-Jun-18	FY Budget 30-Jun-18	Variance 30-Jun-16
Cash Flows From Operating Activities						
Inflows						
Trading Receipts	478,513	585,000	(106,487)	3,318,600	3,318,600	0
Shareholder grants	6,400,487	5,231,187	1,169,300	16,094,748	16,094,748	0
Partner revenue	686,288	675,667	10,621	1,995,667	1,995,667	0
Other Income	548,445	400,493	147,952	1,780,412	1,780,412	0
Outflows						
Payments to Employees	2,423,819	1,786,650	(637,169)	7,084,100	7,084,100	0
Payments to Suppliers	4,211,674	3,997,889	(213,785)	15,399,264	15,399,264	0
Net GST Cashflow	(65,055)	110,725	175,780	418,898	418,898	0
Other Operating Costs	192,206	57,417	(134,789)	206,668	206,668	0
Net Cash Flows From (Used In) Operating Activities	1,351,089	939,666	411,423	80,497	80,497	0
Cash Flows From (Used In) Investing Activities						
Inflows						
Sale of fixed assets			0			0
Sale of investment assets			0			0
Other			0			0
Outflows						
Purchase of fixed assets	12,605	25,000	12,395	70,000	70,000	0
Purchase of investments			0			0
Other			0			0
Total Investing Cash Flow	(12,605)	(25,000)	12,395	(70,000)	(70,000)	0
Cash Flows From (Used In) Financing Activities						
Inflows						
Investment income	23,289	1,500	21,789	6,000	6,000	0
Other			0			0
Outflows						
Interest paid			0			0
Other			0			0
Total Financing Cash Flow	23,289	1,500	21,789	6,000	6,000	0
Net Increase/(Decrease) in Cash Held	1,361,773	916,166	445,607	16,497	16,497	0
Opening Cash Equivalents	1,706,958	1,601,947		1,601,947	1,601,947	
Closing Cash Equivalents	3,068,731	2,518,113		1,618,444	1,618,444	

WELLINGTON Zoo

To: Wellington City Council
From: Wellington Zoo Trust
Date: 30 October 2017

First Quarter Report 2017/18 Financial Year

Highlights

- Pub Charity has approved a $500,000 grant for redevelopment work on the Chimpanzee Park. This grant will contribute to both animal welfare improvements in the Park, and an improvement to visitor engagement.
- The Wellington Zoo Conservation Fund goes from strength to strength to help us save animals in the wild. We have recently developed a new relationship with the West Coast Penguin Trust and have deepened our commitment to the Jane Goodall Institute NZ, including hosting the JGI NZ office at Wellington Zoo.
- Dr Jane Goodall DBE's visit to Wellington Zoo in late June was incredibly successful with over 200 attending the launch of Wellington Zoo's Rangatahi Programme - a JGI Roots & Shoots initiative engaging young people with their local environment.
- We have retained our Qualmark Enviro Gold certification in the Sustainable Tourism category.
- The Zoo Shop was National Runner Up in the Innovation Category of the national NZ Retail Top Shop Awards held on 7 September. This was for our sustainability initiatives in our retail offering.
- The result for the three months to 30 September 2017 shows an operating deficit of $136,506 against a budgeted operating deficit of $174,168.
- Operating Revenue is below budget by $38K and operating expenditure is below budget YTD September by $76K.

Challenges this Quarter

- The unusually inclement weather this Quarter has had a significant impact on Zoo visitation. We are hoping for better weather for the October holidays.

Official Opening of the Living Room, July 2017

- The refurbished Living Room was officially opened on 3 July and was celebrated in conjunction with the Zoo receiving its Gold Be.Accessible Certification. The Living Room revamp has completely revitalised the area into a bright and colourful space for school class visits before venturing into the Zoo, maximising the connection between people and animals.

- The LEOTC (Learning Experiences Outside the Classroom) contract with the Ministry of Education with the Zoo as a provider of Science, Technology and Maths based experiences, has been renegotiated for a further three years. The target number of students has been increased to align more closely with our measures.

- The Zoo supported Plastic Free July with a range of visitor programming coinciding with the July School Holidays. We connected visitors with the impact plastic is having on sea birds which are treated in The Nest Te Kōhanga, and encouraged visitors to take action to reduce the use of plastic, particularly shopping bags.

Visitor Numbers

	Current YTD 2017/18
Actual	42,538
Target	49,603
Difference	-7,065

LEOTC Numbers

	Annual Target	YTD 17/18
School Visits (LEOTC)	10,500	2,495

Species Planning

Arrivals			
Species	**Gender**	**Status**	**Due**
Tasmanian Devils from Australia	2 males and 1 female	Recommendation received	Early 2018
Porcupines from USA	Male and female	Awaiting dates to be confirmed	Late 2017 / early 2018
Burrowing Cockroaches	4 males and 4 females	From Mini Beast Wildlife in Queensland	Late 2017
Australian Rainforest Mantis	Males and females	From Mini Beast Wildlife in Queensland	Late 2017
Rhinoceros Beetles	Males and females	From Mini Beast Wildlife in Queensland	Late 2017

Planned Transfers Out			
Species	**Gender**	**To**	**When**
Porcupine	Male	Perth Zoo	After importation of new pair from USA
Agoutis	3 females	Perth Zoo	Late 2017 / early 2018

Tiger Day, August 2017

- Several events were celebrated at the Zoo during Quarter One to raise awareness of some animal species and to broaden participants' understanding of how the Zoo looks after its animals:

  - Tiger Day was celebrated in August with interactive activities available for young visitors.
  - In conjunction with our Community Partner WorkerBe Oasis, Red Panda weekend was held in September and was celebrated with talks from the Rangers and activities.
  - Bee Awareness month dedicated to celebrating bees was incorporated into the Zoo's September's activities with the Wellington Beekeepers Association joining in the festivities.

- As well as Pub Charity's $500,000 grant for the Chimpanzee habitat renovation, funding towards the operational expenses of the Nest Te Kōhanga was also received from the Koala Trust and Brian Whiteacre Trust.

- Trade Me has renewed its commercial partnership with the Zoo for another year which will enable the Zoo to continue to provide engaging experiences and best practice conservation, sustainability, animal care and management.

- In Quarter One, we have reached 241,737 people via Facebook with 126,153 post engagements. Twitter has had 117,100 impressions and Instagram with 56,092 impressions.

Dr Jane Goodall DBE and South Wellington Intermediate School student during her visit to the Zoo, June 2017

- As part of the Zoo revolution, the Rangatahi (young people) Roots and Shoots programme for 12-15 year olds who are passionate about animals, people and the environment is being piloted. Launched during her visit to the Zoo in late June, this Roots and Shoots programme will be based on Dr Goodall's four step programme as a model of engagement. Rangatahi will lead change in their communities by mapping needs, collaborating with stakeholders, and designing practical solutions in the form of campaigns around the needs of Animals, People and the Environment (APE).

- Peter Fraser, Conservation Manager, travelled to Kuala Lumpur in September to attend the first International Symposium on Sun Bear Conservation Management. This Symposium was hosted by two of the Zoo's key conservation partners, Free the Bears and TRAFFIC Southeast Asia. The Symposium brought together field researchers, conservation managers, environmental educators and conservation breeding specialists, along with government and industry representatives, to share experiences with the goal of developing a coordinated plan for the conservation of one of Southeast Asia's least known large mammals.

- An 'Injured Wildlife Workshop' was delivered by Zoo staff to wildlife carers, volunteers and new DOC and SPCA staff. This workshop showcased how Wellington Zoo, DOC and SPCA work together to care for wildlife and predominantly focused on how The Nest Te Kōhanga assists with wildlife hospitalisation and handling techniques of various avian species from the wild.

- The annual Wellington Zoo Conservation Fund Grants, which support members of the Zoo team to visit and help our conservation partners to save animals in the wild, were approved in August. This financial year the successful projects are:

  - West Coast Penguin Trust, Haast and Milford Sound (Phil Wisker)
  - Fauna and Flora International, Vietnam (Ash Howell)
  - Proyecto Titi, Colombia (Maxine Jenkins)
  - Cheetah Outreach, South Africa (Mauritz Basson)
  - Giraffe Conservation Foundation, Namibia (April McMurtrie)

- Zoo staff continued the three year planting programme at the Town Belt site near Manchester Street and planted 500 hundred native trees and shrubs during August (a total of 3,250 to date). This Habitat Restoration programme will make it an improved habitat for birds, reptiles and insects.

Native animals brought to The Nest Te Kōhanga in the last year

Native Animal Admission Statistics	2015	2016	2017
January	63	67	76
February	51	41	52
March	60	39	33
April	30	28	22
May	37	33	47
June	34	23	21
July	33	17	20
August	26	15	24
September	25	24	22
October	19	43	
November	33	41	
December	67	58	

Ali Gregory, Glenn Reddiex and Olivia Rees at the Retail NZ Top Shop Awards 2017

- The National Retail NZ Top Shop Awards were held on 7 September 2017 at the Sky City Convention Centre, Auckland. Wellington Zoo's entry was about its sustainability in retail and we were awarded National Runner-up in the Innovation Award.

- Senior Veterinarian Baukje Lenting co-authored a Laboratory Report titled "Metabolic Bone Disease in North Island Kākā, Nestor meridionalis septentrionalis, in Wellington" in the scientific bulletin "Kōkako". Baukje also co-authored a scientific article titled "Cases of mortality in little penguins (Eudyptula minor) in New Zealand associated with avian malaria", in the New Zealand Veterinary Journal.

- Karen Fifield presented at the Social Enterprise World Forum (SEWF) held in Christchurch at the end of September as part of the Guardianship, Stewardship and Environment session. The theme for SEWF 2017 was "*Ka koroki te manu – Creating our tomorrow*", and was an invitation to all to create a global legacy of positive change and to take an active role in shaping the world's future.

Craig Ellison
Board Chair
Wellington Zoo Trust

Appendix 1 – Wellington Zoo Strategy Framework 2017-18

Measure	Target 2017-18	Tracking YTD 30 September	Notes
CONNECT PEOPLE WITH ANIMALS			
Contact animals meeting visitors in Zoo	1,100 hours	172 hrs 30 mins	
People participating in Animal Close Encounters	4,000	762	More people participate in Animal Close Encounters over the Summer months, with sales also peaking over Christmas.
Number of students participating in LEOTC sessions	10,500	2,495	Over 1,200 students attended learning sessions in September, with a large number of Year 13 Biology Primate Evolution sessions (total of 902 Year 13 learners YTD).
PEOPLE LOVE AND SUPPORT THE ZOO			
Increase total visitation	242,000	42,536	7,067 Visitors behind target YTD and 9,096 behind the same period last year.
Percentage of operating costs generated by the Trust	54%	46%	
Ratio of Trust generated income as percentage of WCC grant	120%	98%	
Average income per visitor from Trust generated revenue	$16.26	$18.75	
Average WCC subsidy per visitor	$13.39	$19.04	
Full cost per visitor including WCC costs	$21.21	NA	
Volunteer engagement survey	1	NA	
SAVE ANIMALS IN THE WILD			
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) in the Zoo's collection	≥27	27	
Percentage of native patient successful release to the wild after treatment in the Nest Te Kōhanga	≥55%	68%	
Number of Field Conservation Projects supported for threatened (NZ) endangered or critically endangered (global) species	≥5	13	
% of OPEX directly contributed to field conservation	4%	NA	
Participate in animal based scientific projects and paper publication	≥5	6	
LEAD THE WAY			
Maintain Zoo and Aquarium Association Animal Welfare Accreditation	Achieved	NA	
Maintain carboNZero certification	Achieved	NA	
H&S targets met	Achieved	NA	
People and Culture targets met	Achieved	NA	

Appendix 2 – Financial Statements

	CCO: Wellington Zoo Trust Quarter One 2017/18		$NZ000's
Actual 30-Jun-17	EARNINGS STATEMENT	Actual 30-Sep-17	Budget 30-Sep-17
	Revenue		
3315	Trading Income	690	716
3125	WCC Grants	810	821
82	Other Grants	21	20
332	Sponsorships and Donations-Operational	49	53
302	Sponsorships and Donations-Capital	500	0
63	Investment Income	16	8
206	Other Income	22	28
7,425	**Total Revenue**	2,108	1,646
	Expenditure		
4,724	Employee Costs	1,196	1261
2,328	Other Operating Expenses	545	556
11	Depreciation	3	3
	Interest		
998	Vested Assets		
8,061	**Total Expenditure**	1,744	1,820
(636)	**Net Surplus/(Deficit) before Taxation**	364	(174)
0	Taxation Expense		
9	Operating Surplus (Deficit)	(136)	(174)
(636)	**Net Surplus/(Deficit)**	364	(174)
0.1%	**Operating Margin**	-6.5%	-10.6%

Actual 30-Jun-17	STATEMENT OF FINANCIAL POSITION	Actual 30-Sep-17	Budget 30-Sep-17
	Shareholder/Trust Funds		
0	Share Capital/Settled Funds	0	0
0	Revaluation Reserves	0	0
1,348	Restricted Funds	1,355	1,022
342	Retained Earnings	706	159
1,690	**Total Shareholder/Trust Funds**	2,061	1,181
	Current Assets		
1,906	Cash and Bank	3,848	3,021
1,858	Accounts Receivable	29	30
138	Other Current Assets	357	100
3,902	**Total Current Assets**	4,234	3,151
	Investments		
0	Deposits on Call	0	0
0	Other Investments	0	0
0	**Total Investments**	0	0
	Non-Current Assets		
24	Fixed Assets	21	11
0	Other Non-current Assets	0	0
24	**Total Non-current Assets**	21	11
3,926	**Total Assets**	4,255	3,162
	Current Liabilities		
1,658	Accounts Payable and Accruals	915	400
	Provisions		
578	Other Current Liabilities	1,279	1,581
2,236	**Total Current Liabilities**	2,194	1,981
	Non-Current Liabilities		
0	Loans - WCC	0	0
0	Loans - Other	0	0
0	Other Non-Current Liabilities	0	0
0	**Total Non-Current Liabilities**	0	0
1,690	**Net Assets**	2,061	1,181
1.7	**Current Ratio**	1.9	1.6
43.0%	**Equity Ratio**	48.4%	37.3%

Item 2.2 Attachment 6

Actual 30-Jun-17	STATEMENT OF CASH FLOWS	Actual Sep-17	Budget Sep-17
	Cash provided from:		
3315	Trading Receipts	690	716
3125	WCC Grants	810	1,641
82	Other Grants	21	20
634	Sponsorships and Donations	549	53
63	Investment Income	16	8
-1432	Other Income	3,034	28
5787		5,120	2,466
	Cash applied to:		
4,724	Payments to Employees	1,122	1,261
1,481	Payments to Suppliers	2,056	556
	Net GST Cashflow		
998	Other Operating Costs (VESTING)		
	Interest Paid	0	0
7203		3,178	1,817
-1416	**Total Operating Cash Flow**	1,942	649
	Investing Cash Flow		
	Cash provided from:		
0	Sale of Fixed Assets		
	Other		
0		0	0
	Cash applied to:		
	Purchase of Fixed Assets		
(500)	Other -Receipt from sale of investments	0	0
(500)		0	0
500	**Total Investing Cash Flow**	0	0

Actual 30-Jun-17	STATEMENT OF CASH FLOWS (CONT)	Actual 30-Sep-17	Budget 30-Sep-17
	Financing Cash Flow		
	Cash provided from:		
	Drawdown of Loans		
	Other		
0		0	0
	Cash applied to:		
	Repayment of Loans		
	Other		
0		0	0
0	**Total Financing Cash Flow**	0	0
(916)	**Net Increase/(Decrease) in Cash Held**	1,942	649
2,822	**Opening Cash Equivalents**	1,906	2,372
1,906	**Closing Cash Equivalents**	3,848	3,021

Actual 30-Jun-17	CASH FLOW RECONCILIATION	Actual 30-Sep-17	Budget 30-Sep-17
(636)	**Operating Surplus/(Deficit) for the Year**	364	(174)
	Add Non Cash Items		
11	Depreciation	3	3
	Other (movement restricted funds)	7	
(625)		374	(171)
	Movements in Working Capital		
(1,504)	(Increase)/Decrease in Receivables	1,829	50
(7)	(Increase)/Decrease in Other Current Assets	(219)	30
928	Increase/(Decrease) in Accounts Payable	(743)	(500)
(208)	Increase/(Decrease) in Other Current Liabilities	701	1,240
(791)		1,568	820
	Net Gain/(Loss) on Sale:		
0	Fixed Assets	0	0
	Investments	0	0
0		0	0
(1,416)	**Net Cash Flow from Operations**	1,942	649

LETTERS OF EXPECTATION TO COUNCIL CONTROLLED ORGANISATIONS

Purpose

1. To seek the Council Controlled Organisations sub-committee's consideration and input into the Letters of Expectation addressed to the following Council Controlled Organisations (CCOs).
    - Basin Reserve Trust
    - Karori Sanctuary Trust
    - Wellington Cable Car Limited
    - Wellington Museums Trust
    - Wellington Regional Stadium Trust
    - Wellington Zoo Trust

    The letters will help to inform the CCOs 2018/19 Statements of Intent.

Recommendations

That the Council Controlled Organisations Subcommittee:

1. Receive the information.
2. Confirm the messages in the draft Letters of Expectation to the following organisations:
    a. Basin Reserve Trust
    b. Karori Sanctuary Trust
    c. Wellington Cable Car Limited
    d. Wellington Museums Trust
    e. Wellington Regional Stadium Trust
    f. Wellington Zoo Trust
3. Note that officers will prepare final Letters of Expectation incorporating the directions of the sub-committee for signing by the Chair of the sub-committee.

Background

2. Council Controlled Organisations are required by the Local Government Act 2002 to prepare a draft Statement of Intent for the Council by 1 March of the preceding financial year. The Council sets out its expectations of its CCOs in a Letter of Expectation.
3. This report includes the draft Letters of Expectation that, when finalised, are intended to assist the entities with business planning and with the preparation of their 2018/19 Statements of Intent.

4. The letters serve to reiterate or emphasise some of the Councils enduring expectations while also alerting the entities to new Council initiatives or programmes, or expected outcomes from the entities.

5. Officers will incorporate any feedback from this sub-committee into the draft letters and the final letters will be signed by the Chair of this sub-committee.

Attachments

Attachment 1.	Basin Reserve Trust draft Letter of Expectation	Page 488
Attachment 2.	Karori Sanctuary Trust draft Letter of Expectation	Page 491
Attachment 3.	Wellington Cable Car Ltd draft Letter of Expectation	Page 494
Attachment 4.	Wellington Museums Trust draft Letter of Expectation	Page 497
Attachment 5.	Wellington Regional Stadium Trust draft Letter of Expectation	Page 500
Attachment 6.	Wellington Zoo Trust draft Letter of Expectation	Page 503

Author	Warwick Hayes, Project Manager Economic & Commercial
Authoriser	Danny McComb, Manager Economic & Commercial

SUPPORTING INFORMATION

Consultation and Engagement
Not applicable.

Treaty of Waitangi considerations
Not applicable.

Financial implications
The CCOs work within the confines of the Council's overall Long Term Plan and Annual Plan framework.

Policy and legislative implications
Not relevant.

Risks / legal
Not relevant.

Climate Change impact and considerations
The CCOs work with the Council and other organisations as part of considering environmental sustainability in their operations, including with the Council's Our Living City programme.

Communications Plan
Officers will incorporate feedback from the Committee into the formal Letters of Expectation that will be sent to the chair of the relevant CCO.

Health and Safety Impact considered
Not relevant.

15 December 2017

Sir John Anderson
Chair
Basin Reserve Trust
PO Box 578
WELLINGTON 6140

By email only: kerry.verberne@jaa.co.nz

DRAFT

Dear Sir John

Re: 2018/19 Statement of Intent and Wellington City Council Expectations

This letter sets out the Council's expectations of the Basin Reserve Trust for 2018/19. It is intended to assist the Trust in its business planning and with the preparation of its 2018/19 Statement of Intent.

To some degree, the Council's expectations of the Trust are enduring and this letter serves to reiterate or emphasise some of these while also alerting the Trust to new Council initiatives or programmes, or expected outcomes from the Trust. With this in mind, the Council continues to expect that the Trust will align its priorities with the Council's strategic direction and make a strong contribution towards advancing the achievement of the Council's aims as will be signalled in the 2018-28 Ten Year Plan and through the Economic Growth Agenda and relevant Council strategies, and the Statement of Intent will reflect this.

The Council's investment in the redevelopment work at the Basin Reserve is extensive and Council expects the Trust to outline a fund raising strategy that will support the Basin Reserve upgrade programme. The strategy should include the Trust's funding target and appropriate timeframes. The Trust will inform Council of its progress via the quarterly reporting framework.

The Trust has made noticeable progress in increasing and diversifying the utilisation of the Basin Reserve. As the redevelopment works are completed Council expects the Trust to continue to seek opportunities to increase its usage by community and junior sports organisations and to also drive the utilisation of the RA Vance Stand.

It is expected that the Trust and the Council will continue to work constructively together in advancing the redevelopment of the Basin Reserve. As the various projects are completed and the Basin Reserve assets are refurbished or renewed, the Trust will work with the Council to initiate a process to hand over the responsibilities for the ongoing maintenance of the assets to the Council. The Trust will retain responsibility for the operational management of the assets.

With the redevelopment works well underway, the Council expects the Trust to ensure it is well positioned to deliver a programme of premium test and international cricket matches and to maximise the Basin Reserve's opportunities to host ICC Women's World Cup matches in 2021.

A decision as to the future of the Museum Stand is expected to be made prior to the commencement of the 2018/19 financial year. The Council expects that the Trust will work cooperatively and constructively with the Council in relation to the process and decisions regarding the Museum Stand with both parties continuing to observe the 'no surprises' approach to the relationship. This project is one where Council expects the Trust to contribute strongly through its fundraising efforts.

Governance

The Council expects the Trust to maintain a high degree of awareness of legislation that is applicable to its activities and in particular on relevant Health and Safety legislation.

The Council expects the Trust to comply with its obligations under the Health and Safety at Work Act 2015. This includes having in place an effective health and safety management framework that identifies and prioritises the management of critical areas of health and safety risk and that this management framework is reviewed, monitored and verified for effectiveness. Where the Council and the Trust have shared responsibilities and overlapping duties as they relate to the health and safety risks of the activities and services of the Trust and the Council, then all parties will ensure that there is effective consultation, co-operation and co-ordination of activities and responsibilities to eliminate or minimise the health and safety risks and that our organisations are aligned and influencing good outcomes that keep all those in or in the vicinity of our workplaces safe and free from harm.

The Trust board is expected to meet best practice governance standards and, in support of this, to undertake a performance review of the overall board, individual board members and the board chair. On completion of this review, the Council's Chief Executive should receive an update that describes the form the review took and the outcomes of the review in relation to the Council appointed Trustees. The review is to be completed by 30 September 2018.

Timetable

We look forward to receiving the Trust's draft Statement of Intent no later than 1 March 2018. Please refer to the reporting timetable attached for other reporting dates.

Should you have any queries or comments in regard to this letter, or wish to discuss the Council's strategies and the outcomes we are seeking in more detail, please contact Warwick Hayes in the first instance on 021 247 8377.

Yours sincerely

Cr Simon Woolf
Chair, Council-controlled Organisations Sub-committee
Ph: (027) 975 3163
Email: simon.woolf@wcc.govt.nz

cc: Cam Mitchell, Chief Executive, Cricket Wellington
cam@firebirds.co.nz

Reporting Timetable

A timetable for entity highlights and reports for the remainder of the 2017/18 year and for 2018/19 follows.

Report	Reference Date	Due Date	Committee Date
2nd Quarter Report • Highlights & visitor numbers • Full Q2 report	**31 Dec 2017**	 5 Jan 2018 31 Jan 2018	 4 Apr 2018
Draft Statement of Intent	**n/a**	1 Mar 2018	4 Apr 2018
3rd Quarter Report • Highlights & visitor numbers • Full Q3 report	**31 Mar 2018**	 6 Apr 2018 30 Apr 2018	 23 May 2018
Statement of Intent	**n/a**	30 Apr 2018	23 May 2018
Annual Report & Financial Statements	**30 Jun 2018**	30 Sep 2018	14 Nov 2018
1st Quarter Report • Highlights & visitor numbers • Full Q1 report	**30 Sep 2018**	 5 Oct 2018 31 Oct 2018	 14 Nov 2018
2nd Quarter Report • Highlights & visitor numbers • Full Q2 report	**31 Dec 2018**	 7 Jan 2019 31 Jan 2019	 TBA

15 December 2017

Denise Church
Chair
Karori Sanctuary Trust
PO Box 9267
Marion Square
WELLINGTON 6141

By email only: denise.church@leadershipmatters.co.nz

DRAFT

Dear Denise

Re: 2018/19 Statement of Intent and Wellington City Council Expectations

This letter sets out the Council's expectations of the Karori Sanctuary Trust for 2018/19. It is intended to assist the Trust in its business planning and with the preparation of its 2018/19 Statement of Intent.

To some degree, the Council's expectations of the Trust are enduring and this letter serves to reiterate or emphasise some of these while also alerting the Trust to new Council initiatives or programmes, or expected outcomes from the Trust. With this in mind, the Council continues to expect that the Trust will align its priorities with the Council's strategic direction and make a strong contribution towards advancing the achievement of the Council's aims as will be signalled in the 2018-28 Ten Year Plan and relevant Council strategies, and the Statement of Intent will reflect this.

Zealandia makes a positive contribution to Wellington and the Council would like to see the Trust continue to take opportunities to tell its stories and to promote Wellington as a place to live, work and play.

Predator-free Wellington is a Council initiative that is intended to make Wellington, New Zealand's first predator-free city. It is expected that the Trust will continue to provide proactive support for the project in particular in the areas of repopulation and restoration following eradication.

Council is aware of the need to plan for Zealandia's growing success in its core activities and it welcomes the benefits Zealandia contributes to Wellington. The Council is also mindful of the investment required to support Zealandia's success and will work with the Trust through the Long Term Plan process around capital investment requirements. The Trust's draft Statement of Intent could identify and plan for the investment required to meet the immediate accommodation required to maintain Zealandia's activities. The final Statement of Intent should align with Council's Long Term Plan which will reflect any agreed investment programme for the Karori Sanctuary Trust.

It is the Council's expectation that the Trust will maintain its focus on developing relationships in conservation, science and education and will give visibility to these works through telling the Zealandia story. The Council and also expects it will continue to develop its school-age educational offerings and opportunities for lower decile schools.

Council expects that the Trust will maintain appropriate asset management planning tools and protocols for its key assets (e.g. the fence).

The Living Wage is a core Council policy and the Trust is expected to align its remuneration policies with Council's as they pertain to the Living Wage.

Governance

The Council expects the Trust to maintain a high degree of awareness of legislation that is applicable to the activities of the Trust and in particular on relevant Health and Safety legislation.

The Council expects the Trust to comply with its obligations under the Health and Safety at Work Act 2015. This includes having in place an effective health and safety management framework that identifies and prioritises the management of critical areas of health and safety risk and that this management framework is reviewed, monitored and verified for effectiveness. Where the Council and the Trust have shared responsibilities and overlapping duties as they relate to the health and safety risks of the activities and services of the Trust and the Council, then all parties will ensure that there is effective consultation, co-operation and co-ordination of activities and responsibilities to eliminate or minimise the health and safety risks and that our organisations are aligned and influencing good outcomes that keep all those in or in the vicinity of our workplaces safe and free from harm.

The Trust board is expected to meet best practice governance standards and, in support of this, to undertake a performance review of the overall board, individual board members and the board chair. On completion of this review, the Council's Chief Executive should receive an update that describes the form the review took and the outcomes of the review. The review is to be completed by 30 September 2018.

Timetable

We look forward to receiving the Trust's draft Statement of Intent no later than 1 March 2018. Please refer to the reporting timetable attached for other reporting dates.

Should you have any queries or comments in regard to this letter, or wish to discuss the Council's strategies and the outcomes we are seeking in more detail, please contact Warwick Hayes in the first instance on 021 247 8377.

Yours sincerely

Cr Simon Woolf
Chair, Council-controlled Organisations Sub-committee
Ph: (027) 975 3163
Email: simon.woolf@wcc.govt.nz

cc: Paul Atkins, Chief Executive
paul.atkins@visitzealandia.com

Reporting Timetable

A timetable for entity highlights and reports for the remainder of the 2017/18 year and for 2018/19 follows.

Report	Reference Date	Due Date	Committee Date
2nd Quarter Report • Highlights & visitor numbers • Full Q2 report	**31 Dec 2017**	 5 Jan 2018 31 Jan 2018	 14 Apr 2018
Draft Statement of Intent	**n/a**	1 Mar 2018	14 Apr 2018
3rd Quarter Report • Highlights & visitor numbers • Full Q3 report	**31 Mar 2018**	 6 Apr 2018 30 Apr 2018	 23 May 2018
Statement of Intent	**n/a**	30 Apr 2018	23 May 2018
Annual Report & Financial Statements	**30 Jun 2018**	See below	14 Nov 2018
• Related party template	**30 Apr 2018**	11 May 2018	n/a
• Related party balances & transactions	**30 Apr 2018**	31 May 2018	n/a
• Performance measures	**30 Jun 2018**	11 Jul 2018	n/a
• Consolidation template (as applicable) and draft financial statements	**30 Jun 2018**	16 Jul 2018	n/a
• Audit clearance or audited financial statements, and draft report commentary	**30 Jun 2018**	7 Sep 2018	n/a
• Letter of representation to Council's CFO	**30 Jun 2018**	7 Sep 2018	n/a
• Audited annual report and financial statements	**30 Jun 2018**	7 Sep 2018	14 Nov 2018
1st Quarter Report • Highlights & visitor numbers • Full Q1 report	**30 Sep 2018**	 5 Oct 2018 31 Oct 2018	 14 Nov 2018
2nd Quarter Report • Highlights & visitor numbers • Full Q2 report	**31 Dec 2018**	 7 Jan 2019 31 Jan 2019	 TBA

15 December 2017

Anthony Wilson
Chair
Wellington Cable Car Ltd
61 Ridgewood Drive
R.D.1
NEW PLYMOUTH

By email only: willerby@xtra.co.nz

DRAFT

Dear Anthony

Re: 2018/19 Statement of Intent and Wellington City Council Expectations

This letter sets out the Council's expectations of the Wellington Cable Car Limited for 2018/19. It is intended to assist the Company in its business planning and with the preparation of its 2018/19 Statement of Intent.

To some degree, the Council's expectations of the Company are enduring and this letter serves to reiterate or emphasise some of these while also alerting the Company to new Council initiatives or programmes, or expected outcomes from the Company. With this in mind, the Council continues to expect that the Company will align its priorities with the Council's strategic direction and make a strong contribution towards advancing the achievement of the Council's aims as will be signalled in the 2018-28 Ten Year Plan and through the Economic Growth Agenda and relevant Council strategies, and the Statement of Intent will reflect this.

The Cable Car makes a positive contribution to Wellington and the Council would like to see the Company continue to take opportunities to tell its stories and to promote Wellington as a place to live, work and play. The ride on the Cable Car is one that many visitors to Wellington will experience and it serves as the gateway to an important visitor precinct. The Council would like to see the Company engage with the Wellington Regional Development Agency Ltd to identify pro-active actions that would enhance the overall visitor experience.

The decommissioning of the overhead trolley bus network is a turning point in the Company's future. The Company should update its plans and timetable for decommissioning the overhead trolley bus network including the financial implications.

The company should discuss its strategic options and dividend policy in a future state that does not include the trolley bus network. This should include the Company's plans to appropriately fund the maintenance and renewal of its assets.

The Council expects the Company to comply with its obligations under the Health and Safety at Work Act 2015. This includes having in place an effective health and safety management framework that identifies and prioritises the management of critical areas of health and safety risk and that this management framework is reviewed, monitored and verified for effectiveness. Where the Council and

the Company have shared responsibilities and overlapping duties as they relate to the health and safety risks of the activities and services of the Company and the Council, then all parties will ensure that there is effective consultation, co-operation and co-ordination of activities and responsibilities to eliminate or minimise the health and safety risks and that our organisations are aligned and influencing good outcomes that keep all those in or in the vicinity of our workplaces safe and free from harm.

The Council will continue to invest in robust infrastructure that supports business and it is the Council's enduring expectation that the Company would consider opportunities to utilise the Council's shared service capabilities which are fit for the purpose and scale of the Company's activities, as and when these opportunities are presented.

Timetable

We look forward to receiving the Company's draft Statement of Intent no later than 1 March 2018. Please refer to the reporting timetable attached for other reporting dates.

Should you have any queries or comments in regard to this letter, or wish to discuss the Council's strategies and the outcomes we are seeking in more detail, please contact Warwick Hayes in the first instance on 021 247 8377.

Yours sincerely

Cr Simon Woolf
Chair, Council-controlled Organisations Sub-committee
Ph: (027) 975 3163
Email: simon.woolf@wcc.govt.nz

cc: Simon Fleisher, Chief Executive
simon.fleisher@wellingtoncablecar.co.nz

Reporting Timetable

A timetable for entity highlights and reports for the remainder of the 2017/18 year and for 2018/19 follows.

Report	Reference Date	Due Date	Committee Date
2nd Quarter Report • Highlights & visitor numbers • Full Q2 report	**31 Dec 2017**	 5 Jan 2018 31 Jan 2018	 4 Apr 2018
Draft Statement of Intent	**n/a**	1 Mar 2018	4 Apr 2018
3rd Quarter Report • Highlights & visitor numbers • Full Q3 report	**31 Mar 2018**	 6 Apr 2018 30 Apr 2018	 23 May 2018
Statement of Intent	**n/a**	30 Apr 2018	23 May 2018
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• Related party template	**30 Apr 2018**	11 May 2018	n/a
• Related party balances & transactions	**30 Apr 2018**	31 May 2018	n/a
• Performance measures	**30 Jun 2018**	11 Jul 2018	n/a
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1st Quarter Report • Highlights & visitor numbers • Full Q1 report	**30 Sep 2018**	 5 Oct 2018 31 Oct 2018	 14 Nov 2018
2nd Quarter Report • Highlights & visitor numbers • Full Q2 report	**31 Dec 2018**	 7 Jan 2019 31 Jan 2019	 TBA

15 December 2017

Jackie Lloyd
Chair
Wellington Museums Trust
PO Box 893
WELLINGTON 6140

By email only: jackie.lloydnz@gmail.com

DRAFT

Dear Jackie

Re: 2018/19 Statement of Intent and Wellington City Council Expectations

This letter sets out the Council's expectations of the Wellington Museums Trust for 2018/19. It is intended to assist the Trust in its business planning and with the preparation of its 2018/19 Statement of Intent.

To some degree, the Council's expectations of the Trust are enduring and this letter serves to reiterate or emphasise some of these while also alerting the Trust to new Council initiatives or programmes, or expected outcomes from the Trust. With this in mind, the Council continues to expect that the Trust will align its priorities with the Council's strategic direction and make a strong contribution towards advancing the achievement of the Council's aims as will be signalled in the 2018-28 Ten Year Plan, the Capital of Culture and relevant Council strategies, and the Statement of Intent will reflect this.

The Trust's activities make a positive contribution to Wellington and the Council would like to see the Trust continue to take opportunities to tell its stories and to promote Wellington. The Trust's Statement of Intent should articulate its plans to deliver a programme of international art exhibitions. The Council also expects that the Trust will continue to develop its school-age educational offerings and continue to provide opportunities for lower decile schools. It is expected that the Trust will consider opportunities to leverage off the strong brand and programmes of Capital E and discuss its future.

The strategic review of Space Place is due to be completed in 2017/18 and the findings of that review should be incorporated with the Statement of Intent, which should also confirm the Trust's intentions to implement the agreed findings and recommendations of the review of Space Place.

The City Gallery is likely to be impacted by the earthquake strengthening works within Civic Square. It is expected that the Trust will seek to mitigate the impacts from those works to ensure that the gallery maintains a strong programme and contribution to Wellington. The Statement of Intent should consider how the Trust will mitigate the impact on City Gallery of the earthquake strengthening works.

The Living Wage is a core Council policy and the Trust is expected to align its remuneration policies with Council's as they pertain to the Living Wage.

Council is aware of the need to plan for the Museums Trust's growing success. The Council is also mindful of the investment required to support this success and will work with the Trust through the Long Term Plan process around capital investment requirements. The Trust's Statement of Intent should

align with Council's Long Term Plan which will reflect any agreed investment programme for the Wellington Museums Trust.

Governance

The Council expects the Trust to maintain a high degree of awareness of legislation that is applicable to its activities and in particular on relevant Health and Safety legislation.

The Council expects the Trust to comply with its obligations under the Health and Safety at Work Act 2015. This includes having in place an effective health and safety management framework that identifies and prioritises the management of critical areas of health and safety risk and that this management framework is reviewed, monitored and verified for effectiveness. Where the Council and the Trust have shared responsibilities and overlapping duties as they relate to the health and safety risks of the activities and services of the Trust and the Council, then all parties will ensure that there is effective consultation, co-operation and co-ordination of activities and responsibilities to eliminate or minimise the health and safety risks and that our organisations are aligned and influencing good outcomes that keep all those in or in the vicinity of our workplaces safe and free from harm.

The Trust is expected to meet best practice governance standards and, in support of this, to undertake a performance review of the overall board, individual board members and the board chair. On completion of this review, the Council's Chief Executive should receive an update that describes the form the review took and the outcomes of the review. The review is to be completed by 30 September 2018.

Timetable

We look forward to receiving the Trust's draft Statement of Intent no later than 1 March 2018. Please refer to the reporting timetable attached for other reporting dates.

Should you have any queries or comments in regard to this letter, or wish to discuss the Council's strategies and the outcomes we are seeking in more detail, please contact Warwick Hayes in the first instance on 021 247 8377.

Yours sincerely

Cr Simon Woolf
Chair, Council-controlled Organisations Sub-committee
Ph: (027) 975 3163
Email: simon.woolf@wcc.govt.nz

cc: Pat Stuart, Chief Executive
pats@experiencewellington.org.nz

Reporting Timetable

A timetable for entity highlights and reports for the remainder of the 2017/18 year and for 2018/19 follows.

Report	Reference Date	Due Date	Committee Date
2nd Quarter Report	**31 Dec 2017**		
• Highlights & visitor numbers		5 Jan 2018	
• Full Q2 report		31 Jan 2018	14 Apr 2018
Draft Statement of Intent	**n/a**	1 Mar 2018	14 Apr 2018
3rd Quarter Report	**31 Mar 2018**		
• Highlights & visitor numbers		6 Apr 2018	
• Full Q3 report		30 Apr 2018	23 May 2018
Statement of Intent	**n/a**	30 Apr 2018	23 May 2018
Annual Report & Financial Statements	**30 Jun 2018**	See below	14 Nov 2018
• Related party template	**30 Apr 2018**	11 May 2018	n/a
• Related party balances & transactions	**30 Apr 2018**	31 May 2018	n/a
• Performance measures	**30 Jun 2018**	11 Jul 2018	n/a
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• Letter of representation to Council's CFO	**30 Jun 2018**	7 Sep 2018	n/a
• Audited annual report and financial statements	**30 Jun 2018**	7 Sep 2018	14 Nov 2018
1st Quarter Report	**30 Sep 2018**		
• Highlights & visitor numbers		5 Oct 2018	
• Full Q1 report		31 Oct 2018	14 Nov 2018
2nd Quarter Report	**31 Dec 2018**		
• Highlights & visitor numbers		7 Jan 2019	
• Full Q2 report		31 Jan 2019	TBA

15 December 2017

John Shewan
Chair
Wellington Regional Stadium Trust
PO Box 2080
WELLINGTON 6011

By email only: john.shewan@hotmail.com

DRAFT

Dear John

Re: 2018/19 Statement of Intent and Wellington City Council Expectations

This letter sets out the Council's expectations of the Wellington Regional Stadium Trust for 2018/19. It is intended to assist the Trust in its business planning and with the preparation of its 2018/19 Statement of Intent.

To some degree, the Council's expectations of the Trust are enduring and this letter serves to reiterate or emphasise some of these while also alerting the Trust to new Council initiatives or programmes, or expected outcomes from the Trust. With this in mind, the Council continues to expect that the Trust will align its priorities with the Council's strategic direction and make a strong contribution towards advancing the achievement of the Council's aims as will be signalled in the 2018-28 Ten Year Plan and through the Economic Growth Agenda and relevant Council strategies, and the Statement of Intent will reflect this.

The Stadium makes a positive contribution to Wellington and the Council would like to see the Stadium continue to take opportunities to tell its stories and to promote Wellington as a place to live, work and play. Council welcomes the high quality and diversified event programme which has become part of the Stadium's contribution to Wellington and encourages the Trust to work with the Wellington Regional Development Agency Ltd to deliver an even stronger and more diverse event programme.

The Council supports the Trust's programme of investment in the Stadium and expects that the Statement of Intent will outline its major capital projects in relation to the Stadium Master Plan. The Council expects that the Trust will discuss the status of upgrade programmes funded by the Council.

Governance

The Council expects the Trust to maintain a high degree of awareness of legislation that is applicable to its activities and in particular on relevant Health and Safety legislation.

The Council expects the Trust to comply with its obligations under the Health and Safety at Work Act 2015. This includes having in place an effective health and safety management framework that identifies and prioritises the management of critical areas of health and safety risk and that this management framework is reviewed, monitored and verified for effectiveness. Where the Council and the Trust have shared responsibilities and overlapping duties as they relate to the health and safety risks of the activities and services of the Trust and the Council, then all parties will ensure that there is effective consultation, co-operation and co-ordination of activities and responsibilities to eliminate or

minimise the health and safety risks and that our organisations are aligned and influencing good outcomes that keep all those in or in the vicinity of our workplaces safe and free from harm.

The Trust is expected to meet best practice governance standards and, in support of this, to undertake a performance review of the overall board, individual board members and the chair. On completion of this review, any matters of concern should be drawn to the attention of the Chief Executives of the settlor councils.

Timetable

We look forward to receiving the Trust's draft Statement of Intent by 16 March 2018. Please refer to the reporting timetable attached for other reporting dates.

Should you have any queries or comments in regard to this letter, or wish to discuss the Council's strategies and the outcomes we are seeking in more detail, please contact Warwick Hayes in the first instance on 021 247 8377.

Yours sincerely

Cr Simon Woolf
Chair, Council-controlled Organisations Sub-committee
Ph: (027) 975 3163
Email: simon.woolf@wcc.govt.nz

cc: Shane Harmon, Chief Executive
sharmon@stadiumtrust.org.nz

Dave Humm, Chief Financial Officer, Greater Wellington Regional Council
dave.humm@gw.govt.nz

Reporting Timetable

A timetable for entity highlights and reports for the remainder of the 2017/18 year and for 2018/19 follows.

Report	Reference Date	Due Date	Committee Date
First Half Report	**31 Dec 2017**	16 Feb 2018	4 Apr 2018
Draft Statement of Intent	**n/a**	16 Mar 2017	4 Apr 2018
Statement of Intent	**n/a**	30 Apr 2018	23 May 2018
Annual Report & Financial Statements	**30 Jun 2018**	30 Sep 2018	14 Nov 2018
Second Half Report	**30 Jun 2018**	30 Sep 2018	14 Nov 2018
First Half Report	**31 Dec 2018**	15 Feb 2019	TBA

15 December 2017

Craig Ellison
Chair
Wellington Zoo Trust
200 Daniell St
Newtown
WELLINGTON 6021

By email only: craig.raniera@gmail.com

DRAFT

Dear Craig

Re: 2018/19 Statement of Intent and Wellington City Council Expectations

This letter sets out the Council's expectations of the Wellington Zoo Trust for 2018/19. It is intended to assist the Trust in its business planning and with the preparation of its 2018/19 Statement of Intent.

To some degree, the Council's expectations of the Trust are enduring and this letter serves to reiterate or emphasise some of these while also alerting the Trust to new Council initiatives or programmes, or expected outcomes from the Trust. With this in mind, the Council continues to expect that the Trust will align its priorities with the Council's strategic direction and make a strong contribution towards advancing the achievement of the Council's aims as will be signalled in the 2018-28 Ten Year Plan and relevant Council strategies, and the Statement of Intent will reflect this.

Wellington Zoo makes a positive contribution to Wellington and the Council would like to see the Zoo continue to take opportunities to tell its stories and to promote Wellington as a place to live, work and play.

The Council expects that the Trust will continue to develop its school-age educational offerings at the Zoo and continue to provide opportunities for lower decile schools and maintain its good work in relation to local and international conservation partnerships.

The Council expects Wellington Zoo will maintain an asset management plan which is appropriate to inform the future maintenance and renewals programme for the Zoo's built assets, which are owned by Council and managed by the Zoo.

Council is aware of the need to plan for Wellington Zoo's growing success and it welcomes the Zoo's contribution to Wellington. The Council is also mindful of the investment required to support the Zoo's success and will work with the Trust through the Long Term Plan process around capital investment requirements. The Trust's Statement of Intent should align with Council's Long Term Plan which will reflect any agreed investment programme for the Wellington Zoo.

The Living Wage is a core Council policy and the Trust is expected to align its remuneration policies with Council's as they pertain to the Living Wage.

Governance

The Council expects the Trust to maintain a high degree of awareness of legislation that is applicable to its activities and in particular on relevant Health and Safety legislation.

The Council expects the Trust to comply with its obligations under the Health and Safety at Work Act 2015. This includes having in place an effective health and safety management framework that identifies and prioritises the management of critical areas of health and safety risk and that this management framework is reviewed, monitored and verified for effectiveness. Where the Council and the Trust have shared responsibilities and overlapping duties as they relate to the health and safety risks of the activities and services of the Trust and the Council, then all parties will ensure that there is effective consultation, co-operation and co-ordination of activities and responsibilities to eliminate or minimise the health and safety risks and that our organisations are aligned and influencing good outcomes that keep all those in or in the vicinity of our workplaces safe and free from harm.

The Trust is expected to meet best practice governance standards and, in support of this, to undertake a performance review of the overall board, individual board members and the board chair. On completion of this review, the Council's Chief Executive should receive an update that describes the form the review took and the outcomes of the review. The review is to be completed by 30 September 2018.

Timetable

We look forward to receiving the Trust's draft Statement of Intent no later than 1 March 2018. Please refer to the reporting timetable attached for other reporting dates.

Should you have any queries or comments with regard to this letter, or wish to discuss the Council's strategies and the outcomes we are seeking in more detail, please contact Warwick Hayes in the first instance on 021 247 8377.

Yours sincerely

Cr Simon Woolf
Chair, Council-controlled Organisations Sub-committee
Ph: (027) 975 3163
Email: simon.woolf@wcc.govt.nz

cc: Karen Fifield, Chief Executive
karen.fifield@wellingtonzoo.com

Reporting Timetable

A timetable for entity highlights and reports for the remainder of the 2017/18 year and for 2018/19 follows.

Report	Reference Date	Due Date	Committee Date
2nd Quarter Report • Highlights & visitor numbers • Full Q2 report	**31 Dec 2017**	 5 Jan 2018 31 Jan 2018	 14 Apr 2018
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3rd Quarter Report • Highlights & visitor numbers • Full Q3 report	**31 Mar 2018**	 6 Apr 2018 30 Apr 2018	 23 May 2018
Statement of Intent	**n/a**	30 Apr 2018	23 May 2018
Annual Report & Financial Statements	**30 Jun 2018**	See below	14 Nov 2018
• Related party template	**30 Apr 2018**	11 May 2018	n/a
• Related party balances & transactions	**30 Apr 2018**	31 May 2018	n/a
• Performance measures	**30 Jun 2018**	11 Jul 2018	n/a
• Consolidation template (as applicable) and draft financial statements	**30 Jun 2018**	16 Jul 2018	n/a
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1st Quarter Report • Highlights & visitor numbers • Full Q1 report	**30 Sep 2018**	 5 Oct 2018 31 Oct 2018	 14 Nov 2018
2nd Quarter Report • Highlights & visitor numbers • Full Q2 report	**31 Dec 2018**	 7 Jan 2019 31 Jan 2019	 TBA

LETTER OF EXPECTATION TO WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LTD

Purpose

1. For the Committee to note the Letter of Expectation (LoE) for Wellington Regional Economic Development Agency (WREDA) in respect of 2018/19

Recommendation/s

That the Council Controlled Organisations Subcommittee:

1. Receive the information.
2. Note the Letter of Expectation as approved by the Wellington Regional Strategy Committee at its meeting on 21 November 2017 will be forwarded to WREDA.

Background

2. All council controlled organisations (CCO) are required by the Local Government Act to complete a draft Statement of Intent and deliver to the shareholders by 1 March of the preceding year.
3. As a matter of good process the Council sends to each CCO a LoE to assist them in their preparation of their 2018/19 Statement of Intent.
4. In respect of WREDA, their LoE is considered by the Wellington Regional Strategy Committee (WRSC), the Council has 4 representatives on the WRSC out of a total of 10. Council's formal input into the WREDA LoE is via their representatives on the WRSC.
5. Due to the cancellation of the November CCO subcommittee meeting the draft LoE was not able to be formally reviewed by this committee prior to the WRSC meeting. However, the draft LoE was circulated to the Committee members and their feedback incorporated prior to the WRSC considering the draft at their meeting on 21 November.
6. The WRS Committee approved the LoE at their meeting of 21 November and a copy of the letter agreed by the WRSC is attached.

Attachments

Attachment 1. WREDA Letter of Expectation Page 509

Author	Barry Turfrey, Economic Development Unit
Authoriser	Danny McComb, Manager CCOs & City Growth Projects

SUPPORTING INFORMATION

Engagement and Consultation
Not relevant

Treaty of Waitangi considerations
Not relevant

Financial implications
WREDA works within the financial constraints of the Council's Long Term Plan

Policy and legislative implications
Not relevant

Risks / legal
Not relevant

Climate Change impact and considerations
Not relevant

Communications Plan
Not relevant

Health and Safety Impact considered
Not relevant

Peter Biggs
Chair
Wellington Regional Economic Development Agency

Dear Peter

This letter sets out the Wellington Regional Strategy (WRS) Committee's expectations for the Wellington Regional Economic Development Agency and its subsidiary, Creative HQ (WREDA) regarding their Statement of Intent for 2018/19.

The Committee notes that WREDA has recently embarked on a process of bringing a sharper focus to their work with the launch of the WREDA Big 6 namely:

1. Supercharge Wellington's Events
2. Pump NZ's Creative Heart
3. Accelerate the Big Projects
4. Talk up Tech
5. Sell Student City
6. Ramp up Business Growth

The Committee agreed at its meeting on the 21st of November that a seventh priority should be added: The Māori economy. The Committee's view was that the importance of the Māori economy is not adequately represented by treating it as an activity that goes across all of the Big 6, but rather it needs to be given the emphasis that would be achieved by making it a 'seventh priority'. Members of the Committee referred to other parts of the country where in a post treaty settlement world the Māori economy has become a powerhouse of growth for the Region. We see this seventh priority placing greater emphasis on the opportunities to work more closely with our Iwi partners and request that WREDA work with the WRS Office and Ara Tahi in the development and ongoing support of a Māori Regional Economic Development plan.

The Committee supports a tighter focus and expects that the Statement of Intent will provide insight into the key actions planned to drive the agreed programme, including the expected outcomes with clear targets and measures. One of the core functions of WREDA is to drive the visitor economy and it is important that this key role is not relegated behind other areas. The Committee would like to understand the key activities planned to market Wellington, to drive growth in visitation and tell Wellington's stories.

The Committee also requests that further consideration be given to the focus of the WREDA work programme to ensure that it is appropriately lined up with regional priorities. The following areas have been identified as requiring a strong focus over the next few years.

- The Committee, agreed that there needs to be a joined up growth plan for the region (ten year investment plan, with a supporting chronological work programme). The development of this will be led by the Committee, through the WRS Office and working along with WREDA and other stakeholders.

- The Region is benefitting from a significant programme of investment in infrastructure and this is expected to continue into the future with planned investments in roading, public transport, housing and other major construction projects. The Committee requests that WREDA consider the constraints to economic growth along with the opportunities to leverage growth off the investment programme and the role that WREDA can play in these areas. For example, the commercial accommodation sector has existing capacity issues at peak periods, this inhibits the regions ability to grow and will be compounded through success in delivering a supercharged events programme, accelerating the big projects, growing business and leveraging our creative edge.

- A core role for WREDA should be in understanding the implications and opportunities for the region around changes in the working environment and the skills and other interventions that may be needed to support the changing nature of the market.

- The Committee would like WREDA to assist the region in partnering with the Government as it rolls out its regional economic development investment fund over the next three years. In particular it expects WREDA to work with the region (including the Wairarapa) to promote projects that will grow the regional and rural economy and improve the wellbeing of those communities.

- The region has a strong position in the areas of technology and innovation and significant potential to continue to grow. The Committee would like WREDA to consider the opportunities to accelerate and leverage off the activities of Creative HQ and identify whether there are benefits from broadening the scope of their activities.

- In the area of events the Committee would like WREDA to review major events to identify those that need to be renewed and those we need to invest in and grow

The SOI should reflect a strong focus on efficiency in delivering activities and the cost of delivery. WREDA is expected to take every opportunity to utilise shared services available in partnership with Councils to reduce its cost base. The core funding provided by the Councils is seed funding and WREDA is expected to utilise this funding to partner in delivering activities, the SOI should demonstrate an emphasis on partnerships and partner funding to deliver programmes.

With respect to all of these points and the SOI in general we expect clear actions, expected outcomes with clear and measurable KPI's. Wherever possible there should be a clear line of sight between WREDA's actions and the outcomes being measured.

The Committee expects WREDA to be able to demonstrate their compliance with the relevant Health and Safety legislation and is expected to meet best practice governance standards.

Justin Lester

Chair

Wellington Regional Strategy Committee

REVIEW OF THE QUARTER TWO REPORT FOR WELLINGTON INTERNATIONAL AIRPORT LIMITED TO 30 SEPTEMBER 2017

Purpose

1. This report provides the sub-committee with a review of the report submitted by Wellington International Airport Limited for consideration in accordance with the requirements of the Local Government Act 2002.

Recommendation/s

That the Council Controlled Organisations Subcommittee Sub-committee:

1. Receive the information.

Background

2. Wellington International Airport Limited is 34% owned by the Council and majority owned by Infratil Limited, a publicly listed company on the New Zealand securities and derivatives market, which is operated by NZX Limited (NZX). The market operates under a legislative framework established by the Financial Markets Conduct Act 2013.
3. The reporting from Wellington International Airport Limited is considered by this sub-committee under the cover of a separate sub-committee report and depending upon timing of the sub-committee meeting and the publication of the company's report, this process is sometimes considered Public Excluded by this sub-committee.
4. Consideration of the report by this sub-committee in the Public Excluded forum is not necessary as the company's report has been released to the NZX which itself is subject to a regulatory framework under the Financial Markets Authority Act 2011.

Discussion

5. The quarter two report has been received from Wellington International Airport Limited for consideration by the sub-committee and is attached as an appendix.
6. The report has been reviewed by officers and no risks or issues have been identified.

Attachments

Attachment 1. Wellington International Airport Ltd Half Year Report Page 515

Author	Warwick Hayes, Project Manager Economic & Commercial
Authoriser	Danny McComb, Manager Economic & Commercial

SUPPORTING INFORMATION

Engagement and Consultation
Not applicable.

Treaty of Waitangi considerations
Not applicable.

Financial implications
The CCOs work within the confines of the Council's overall Long Term Plan and Annual Plan framework.

Policy and legislative implications
Not relevant.

Risks / legal
Not relevant.

Climate Change impact and considerations
The CCOs work with the Council and other organisations as part of considering environmental sustainability in their operations, including with the Council's Our Living City programme.

Communications Plan
Officers will incorporate feedback from the Committee into the Letters of Expectation that will be sent to the chair of the relevant CCO.

Health and Safety Impact considered
Not relevant.

WELLINGTON INTERNATIONAL AIRPORT LIMITED

Consolidated Financial Statements for the Six Months Ended 30 September 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	Notes	**6 months 30 Sep 2017**	6 months 30 Sep 2016	12 months 31 Mar 2017
		$000	$000	$000
		Unaudited	Unaudited	Audited
Aircraft movement and terminal charges		37,566	33,931	70,313
Retail and trading activities		20,101	18,470	37,039
Property rent and lease income		6,123	6,016	12,211
Total revenue		**63,790**	**58,417**	**119,563**
Operating expenses	A2	(11,195)	(9,528)	(18,879)
Employee remuneration and benefits		(5,285)	(5,154)	(10,140)
Subvention payment	D1	(37,610)	(38,762)	(38,894)
Total operating and other expenditure		**(54,090)**	**(53,444)**	**(67,913)**
Investment properties revaluation net increase	B2	3,866	-	820
Depreciation	B1	(11,451)	(9,983)	(21,654)
Loss on sale of property, plant and equipment		-	(274)	(654)
Operating earnings before interest and financing expense		**2,115**	**(5,284)**	**30,162**
Interest income		567	246	834
Interest expense		(10,140)	(12,336)	(22,265)
Foreign currency gain		(18)	-	-
Increase in value of financial instruments designated at fair value through profit or loss		40	4,544	8,327
Net financing expense		**(9,551)**	**(7,546)**	**(13,104)**
Net (loss)/profit before taxation		**(7,436)**	**(12,830)**	**17,058**
Taxation income/(expense)		5,695	7,805	(960)
Net (loss)/profit after taxation for the period		**(1,741)**	**(5,025)**	**16,098**
Other comprehensive income				
Items which will not be reclassified to profit or loss:				
Property, plant and equipment revaluation		-	2,870	2,870
Income tax relating to components of other comprehensive income		-	(717)	(717)
Total other comprehensive income		**-**	**2,153**	**2,153**
Total comprehensive income		**(1,741)**	**(2,872)**	**18,251**

The accompanying notes form part of and are to be read in conjunction with these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	Note	Attributable to Equity Holders				
		Capital	Asset Revaluation Reserve	Other Reserves	Retained Earnings	Total Equity
		$000	$000	$000	$000	$000
Balance as at 1 April 2017		**9,050**	**404,940**	**169**	**98,701**	**512,860**
Total comprehensive income						
Net loss		-	-	-	(1,741)	(1,741)
Other comprehensive income		-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**(1,741)**	**(1,741)**
Contributions by and distributions to owners						
Executive redeemable shares issued		-	-	48	-	48
Dividend to equity holders	D1	-	-	-	(11,937)	(11,937)
Total contributions by and distributions to owners		**-**	**-**	**48**	**(11,937)**	**(11,889)**
Unaudited balance as at 30 September 2017		**9,050**	**404,940**	**217**	**85,023**	**499,230**
Balance as at 1 April 2016		**9,050**	**402,787**	**141**	**94,662**	**506,640**
Total comprehensive income						
Net loss		-	-	-	(5,025)	(5,025)
Other comprehensive income		-	2,153	-	-	2,153
Total comprehensive income		**-**	**2,153**	**-**	**(5,025)**	**(2,872)**
Contributions by and distributions to owners						
Executive redeemable shares issued		-	-	20	-	20
Dividend to equity holders	D1	-	-	-	(12,059)	(12,059)
Total contributions by and distributions to owners		**-**	**-**	**20**	**(12,059)**	**(12,039)**
Unaudited balance as at 30 September 2016		**9,050**	**404,940**	**161**	**77,578**	**491,729**
Balance as at 1 April 2016		**9,050**	**402,787**	**141**	**94,662**	**506,640**
Total comprehensive income						
Net profit		-	-	-	16,098	16,098
Other comprehensive income		-	2,153	-	-	2,153
Total comprehensive income		**-**	**2,153**	**-**	**16,098**	**18,251**
Contributions by and distributions to owners						
Executive redeemable shares issued		-	-	95	-	95
Executive redeemable shares converted		-	-	(67)	-	(67)
Dividend to equity holders	D1	-	-	-	(12,059)	(12,059)
Total contributions by and distributions to owners		**-**	**-**	**28**	**(12,059)**	**(12,031)**
Audited balance as at 31 March 2017		**9,050**	**404,940**	**169**	**98,701**	**512,860**

The accompanying notes form part of and are to be read in conjunction with these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	Notes	30 Sep 2017	30 Sep 2016	31 Mar 2017
		$000	$000	$000
		Unaudited	Unaudited	Audited
Cash and cash equivalents		26,987	6,245	67,830
Trade receivables		13,082	10,254	13,082
Prepayments and sundry receivables		2,445	3,369	4,558
Current assets		**42,514**	**19,868**	**85,470**
Property, plant and equipment	B1	958,907	908,115	930,422
Investment properties	B2	74,050	68,952	69,795
Non current assets		**1,032,957**	**977,067**	**1,000,217**
Total assets		**1,075,471**	**996,935**	**1,085,687**
Trade and other payables		342	900	2,523
Current tax payable		8,082	7,426	14,803
Accruals and other liabilities		17,640	16,541	15,435
Accrued employee benefits		2,416	2,055	2,595
Loans and borrowings	C1	-	90,000	90,000
Current liabilities		**28,480**	**116,922**	**125,356**
Deferred taxation		116,248	113,834	115,223
Derivative financial instruments		4,772	8,595	4,811
Loans and borrowings	C1	426,741	265,855	327,437
Non current liabilities		**547,761**	**388,284**	**447,471**
Attributable to shareholders		499,230	491,729	512,860
Total equity		**499,230**	**491,729**	**512,860**
Total equity and liabilities		**1,075,471**	**996,935**	**1,085,687**

The accompanying notes form part of and are to be read in conjunction with these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	Note	6 months 30 Sep 2017	6 months 30 Sep 2016	12 months 31 Mar 2017
		$000	$000	$000
		Unaudited	Unaudited	Audited
Cash flows from operating activities				
Cash was provided from:				
Receipts from customers		63,755	59,387	117,448
Interest received		567	246	343
		64,322	**59,633**	**117,791**
Cash was disbursed to:				
Payments to suppliers and employees		(12,599)	(12,996)	(24,530)
Interest paid		(9,719)	(12,315)	(21,664)
		42,004	**34,322**	**71,597**
Subvention payment	D1	(37,610)	(38,762)	(38,894)
Net cash flows from operating activities		**4,394**	**(4,440)**	**32,703**
Cash flows from investing activities				
Cash was provided from:				
Proceeds from sale of property, plant and equipment		9	-	12
		9	-	**12**
Cash was disbursed to:				
Purchase of property, plant and equipment		(42,267)	(43,646)	(80,477)
		(42,267)	**(43,646)**	**(80,477)**
Net cash flows from investing activities		**(42,258)**	**(43,646)**	**(80,465)**
Cash flows from financing activities				
Cash was provided from:				
Issue of bonds		99,751	133,479	205,000
		99,751	**133,479**	**205,000**
Cash was disbursed to:				
Repayment of bonds		(90,000)	(60,000)	(60,000)
Bond issue costs		(793)	-	(2,260)
Repayment of loans and borrowings		-	(13,000)	(21,000)
Dividend payment	D1	(11,937)	(12,059)	(12,059)
		(102,730)	**(85,059)**	**(95,319)**
Net cash flows from financing activities		**(2,979)**	**48,420**	**109,681**
Net (decrease)/increase in cash and cash equivalents		(40,843)	334	61,919
Cash and cash equivalents balance at the beginning of the period		67,830	5,911	5,911
Cash and cash equivalents balance at the end of the period		**26,987**	**6,245**	**67,830**

Reconciliation of net profit after taxation to net cash flows from operating activities:	6 months 30 Sep 2017	6 months 30 Sep 2016	12 months 31 Mar 2017
	$000	$000	$000
	Unaudited	Unaudited	Audited
Net (loss)/profit after taxation	**(1,741)**	**(5,025)**	**16,098**
Increase in value of financial instruments designated at fair value through profit or loss	(40)	(4,544)	(8,327)
Depreciation	11,451	9,983	21,654
Investment properties revaluation increase	(3,866)	-	(820)
Other movements not involving cash flows	344	1,556	1,188
Movements in working capital	(1,754)	(6,410)	2,910
Net cash flows from operating activities	**4,394**	**(4,440)**	**32,703**

The accompanying notes form part of and are to be read in conjunction with these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

REPORTING ENTITY

The unaudited, condensed and consolidated half year financial statements presented are those of the Wellington International Airport Limited Group (the Group), comprising Wellington International Airport Limited (WIAL and/or the Company) and its subsidiary, Wellington Airport Noise Treatment Limited (WANT Limited).

The Group operates in Wellington providing integrated airport and commercial facilities and services to various airlines and other airport users. The Group also operates a commercial retail park adjacent to the airport site.

STATUTORY BASE

WIAL is a profit oriented company incorporated and domiciled in New Zealand as a limited liability company registered under the Companies Act 1993. The company has bonds listed on the New Zealand Debt Exchange (NZDX) and on that basis meets the definition of a Reporting Entity under the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013.

BASIS OF PREPARATION

These financial statements for the six month period to 30 September 2017 have been prepared using Generally Accepted Accounting Practice (NZ GAAP) in New Zealand and comply with IAS 34: *Interim Financial Reporting* and NZ IAS 34: *Interim Financial Reporting*, as appropriate for a for-profit entity. The application of new or amended standards has no material impact on the amounts recognised in these interim financial statements.

These consolidated half year financial statements have been prepared in accordance with the accounting policies stated in the Group's published Annual Report for the year ended 31 March 2017 and should be read in conjunction with the Annual Report. No changes have been made from the accounting policies used in the Annual Report, which can be obtained from WIAL's registered office or from its website www.wellingtonairport.co.nz.

The financial statements are presented in New Zealand Dollars which is the Group's functional currency. Where indicated, values are rounded to the nearest thousand dollars ($000).

Accounting estimates and judgements

Unless otherwise stated, the key accounting estimates and judgements have not changed from those used in preparing the financial statements for the year ended 31 March 2017 as published in the 2017 Annual Report.

NOTES CATEGORIES

The summary notes include information which is required to understand the consolidated half year financial statements and is material and relevant to the operations, financial position and performance of the Group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

A. FINANCIAL PERFORMANCE

A1. Segment reporting and non-NZ GAAP measure

Operating segments are identified based on the nature of the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker of the Group has been identified as the Chief Executive Officer. Based on the internal reporting to the Chief Executive Officer, the Group is considered to have one operating segment.

The Group refers to a non-NZ GAAP financial measure of earnings before interest, tax, depreciation, amortisation, change in fair value of financial instruments, impairments and gain/(loss) on sale of assets (EBITDAF) and subvention payment within these consolidated financial statements. The Board and management consider it a useful non-NZ GAAP financial measure as it shows the contribution to earnings prior to non-cash items, cost of financing and subvention and is used by management, in conjunction with other measures, to monitor financial performance. The limited use of this non-NZ GAAP measure is intended to supplement GAAP measures and is not a substitute for NZ GAAP measures. As these measures are not defined by NZ GAAP, NZ IFRS, or any other body of accounting standards, the Group's calculations may differ from similarly titled measures presented by other companies.

	6 months 30 Sep 2017	6 months 30 Sep 2016	12 months 31 Mar 2017
	$000	$000	$000
	Unaudited	Unaudited	Audited
Net (loss)/profit after taxation	**(1,741)**	**(5,025)**	**16,098**
Subvention payment	37,610	38,762	38,894
Net financing expense	9,551	7,546	13,104
Taxation income	(5,695)	(7,805)	960
Depreciation	11,451	9,983	21,654
Investment properties revaluation net increase	(3,866)	-	(820)
Loss on sale of property, plant and equipment	-	274	654
EBITDAF before subvention payment	**47,310**	**43,735**	**90,544**

A2. Operating expenses

	6 months 30 Sep 2017	6 months 30 Sep 2016	12 months 31 Mar 2017
	$000	$000	$000
	Unaudited	Unaudited	Audited
Fees paid to auditors:			
Audit of statutory financial statements	39	40	82
Taxation and other assurance services *(Note 1)*	99	49	62
Directors' fees	234	232	455
Regulatory compliance and airline pricing consultation *(Note 2)*	297	567	703
Marketing and development	1,034	569	1,393
Cleaning and energy	1,118	1,107	2,049
Rates and insurance	2,581	2,357	4,795
Repairs and maintenance	1,205	1,158	2,412
Operating leases	397	402	731
Noise mitigation program	938	228	775
Administration and other expenses	3,253	2,819	5,422
Total operating expenses	**11,195**	**9,528**	**18,879**

Note 1 - Includes audit of WIAL's regulatory Annual Disclosures.
Note 2 - In addition to these costs, WIAL has incurred $0.4m (30 September 2016: $0.1m and 31 March 2017: $0.2m) of regulatory and compliance costs in relation to the proposed runway extension including costs associated with the judicial review process. These costs have been capitalised and are included in capital work in progress.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

B. FIXED ASSETS

B1. Property, plant and equipment	6 months 30 Sep 2017 $000 Unaudited	6 months 30 Sep 2016 $000 Unaudited	12 months 31 Mar 2017 $000 Audited
Opening balance	**930,422**	**870,076**	**870,076**
Additions	40,334	45,236	79,258
Transfer between property, plant and equipment and investment properties	(389)	(84)	(125)
Disposals	(9)	-	(3)
Depreciation	(11,451)	(9,983)	(21,654)
Movement in asset revaluation	-	2,870	2,870
Closing balance	**958,907**	**908,115**	**930,422**

Revaluation
Land, buildings and civil assets are valued at least every 5 years. Land, buildings and civil assets were last revalued by independent registered valuers as at 31 March 2016 in accordance with the New Zealand Institute of Valuers asset valuation standards. Details of the valuations are set out in the 2017 Annual Report.

Capitalised borrowing costs
For the period ended 30 September 2017, capitalised borrowing costs relating to capital work in progress amounted to $1.7 million (30 September 2016: $1.3 million, 31 March 2017: $2.4 million), with an average capitalisation rate of 5.3% (30 September 2016: 5.9%, 31 March 2017: 5.6%).

B2. Investment properties

As at 30 September 2017, the fair value of investment properties were assessed by independent valuers Jones Lang Lasalle (JLL). This valuation estimated a fair value of $74.1 million (30 September 2016: $69.0 million, 31 March 2017: $69.8 million) which, in addition to the $0.4 million transferred from property, plant and equipment as outlined in note B1, resulted in a valuation increase of $3.9 million (30 September 2016: Nil, 31 March 2017: $0.8 million). This valuation increase is recognised in the consolidated statement of comprehensive income.

The valuation increase was a result of a change in the weighted average income capitalisation rate which is one of the key inputs used in estimating fair value. The weighted average income capitalisation rate used was 7.6% (30 September 2016: 8.1%, 31 March 2017: 8.0%). There were no other changes to assumptions or valuation methodology applied by JLL as set out in the 2017 Annual Report.

C. FUNDING

C1. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to and management of interest rate and foreign currency risk, refer to the 2017 Annual Report.

	Issue Date	Maturity	Interest Rate	6 months 30 Sep 2017 $000 Unaudited	6 months 30 Sep 2016 $000 Unaudited	12 months 31 Mar 2017 $000 Audited
Bank facilities Tranche A	Jul-14	Jun-18	Various	-	8,000	-
Bank facilities Tranche B	Jul-14	Jun-19	Various	-	-	-
Wholesale bonds WIA0817	Aug-07	Aug-17	Floating	-	90,000	90,000
Wholesale bonds WIA0619	Jun-13	Jun-19	Floating	25,000	25,000	25,000
Wholesale bonds WIA0620	Jun-13	Jun-20	5.27%	25,000	25,000	25,000
Retail bonds WIA020	Nov-13	May-21	6.25%	75,000	75,000	75,000
Retail bonds WIA030	May-16	May-23	4.25%	75,000	75,000	75,000
Retail bonds WIA040	Aug-16	Aug-24	4.00%	60,000	60,000	60,000
Retail bonds WIA050	Dec-16	Jun-25	5.00%	70,000	-	70,000
USPP Senior Notes - Series A (US$36 million)	Jul-17	Jul-27	3.47%	49,884	-	-
USPP Senior Notes - Series B (US$36 million)	Jul-17	Jul-29	3.59%	49,884	-	-
Total borrowings at face value				**429,768**	**358,000**	**420,000**
Unamortised transaction costs				(3,027)	(2,145)	(2,563)
Carrying value of borrowings				**426,741**	**355,855**	**417,437**
Current				-	90,000	90,000
Non-current				426,741	265,855	327,437

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

C1. Loans and borrowings (continued)

Bank facilities

The Group's debt includes bank facilities with a negative pledge arrangement, which with limited exceptions does not permit the borrower to grant any security over its assets. The bank facilities require the borrower to maintain certain levels of shareholder funds and operate within defined performance and gearing ratios. The banking arrangements also include restrictions over the sale or disposal of certain assets. The Group has not utilised the facilities during the six month period ended 30 September 2017 and has complied with its financial covenant requirements during the period.

Bonds

The Trust Deeds for the bonds require the Group to operate within defined performance and debt gearing ratios. The arrangements under the Trust Deeds create restrictions over the sale or disposal of certain assets. The Group complied with its financial covenant requirements during the period. At 30 September 2017, the bonds had a fair value of $344.0 million (30 September 2016: $365.1 million, 31 March 2017: $427.3 million).

In August 2016, the Company terminated certain interest rate contracts with a combined notional value of $85 million. This resulted in a one-off charge to interest expense of $3.2 million during the year ended 31 March 2017, offset by a corresponding reduction in the consolidated statement of comprehensive income to reflect the revised fair value of financial instruments designated at fair value through profit or loss.

USPP notes

On 27 July 2017 WIAL completed its inaugural United States Private Placement (USPP) senior note issuance, securing US$72 million of long term debt. The USPP comprised two equal tranches, a US$36 million 10 year senior note with a coupon of 3.47% and a US$36 million 12 year senior note with a coupon of 3.59%. The proceeds of the USPP were used to repay the $90 million in wholesale bonds that matured on 1 August 2017 (WIA0817) and for investments in major capital projects. In conjunction with the USPP issuance, WIAL entered into Cross Currency Interest Rate Swaps (CCIRS) to convert the proceeds into New Zealand dollars and to manage the exposure to foreign currency risk and interest rate risk over the term of the senior notes. At 30 September 2017, the USPP notes had a fair value of $94.9 million (30 September 2016: Nil, 31 March 2017: Nil). This debt is carried in the consolidated statement of financial position at amortised cost, translated to New Zealand dollars using foreign exchange rates at balance date.

D. OTHER NOTES

D1. Related parties

WIAL is 66% owned by NZ Airports Limited, which is wholly owned by Infratil Limited. Wellington City Council owns the remaining 34% of the Company.

	6 months 30 Sep 2017	6 months 30 Sep 2016	12 months 31 Mar 2017
	$000	$000	$000
Transactions made during the period	**Unaudited**	Unaudited	Audited
Infratil and its subsidiaries			
Infratil Group - subvention payment	(37,610)	(38,762)	(38,894)
Cityline NZ Limited - Airport Flyer Bus services	137	152	274
Infratil Limited - Insurance and other costs	(96)	(83)	(83)
H.R.L. Morrison & Co Limited			
Directors' fees	(129)	(160)	(305)
Consulting and other fees	(9)	(7)	(48)

Directors fees were paid during the six month period to H.R.L. Morrison & Co Limited, the company responsible for the day to day management of Infratil Limited, of $129,457 for the services of T Brown, J Boyes and P Walker as Directors and Audit and Risk Committee members (30 September 2016: $160,000, 31 March 2017: $305,683).

Wellington City Council			
Dividend payment	(11,937)	(12,059)	(12,059)
Directors' fees	(30)	(30)	(60)
Rates	(1,395)	(1,316)	(2,438)
Grants	500	1,216	1,508
Consents and compliance costs	(9)	(71)	(278)

Directors fees of $30,000 were paid during the six month period to the Wellington City Council, for the services of A Foster as a Director (30 September 2016: $30,000, 31 March 2017: $60,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

D1. Related parties (continued)

	6 months 30 Sep 2017	6 months 30 Sep 2016	12 months 31 Mar 2017
	$000	$000	$000
Balance receivable/(payable) as at the end of the period	**Unaudited**	Unaudited	Audited
H.R.L. Morrison & Co Limited	(48)	(93)	(140)
Cityline NZ Limited	26	19	29
Wellington City Council	4	72	-

D2. Capital commitments

	6 months 30 Sep 2017	6 months 30 Sep 2016	12 months 31 Mar 2017
	$000	$000	$000
	Unaudited	Unaudited	Audited
Contracted but not provided for	**67,929**	**40,630**	**32,229**

The commitments contracted but not provided for mainly relate to the multi level car park transport hub and the hotel development.

D3. Contingency and subsequent events

There were no contingent liabilities as at 30 September 2017 (30 September 2016: Nil, 31 March 2017: Nil).

There were no events after the reporting date requiring adjustment or disclosure.