
ORDINARY MEETING

OF

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

AGENDA

Time: 9:30 am
Date: Wednesday, 4 April 2018
Venue: Committee Room 1
Ground Floor, Council Offices
101 Wakefield Street
Wellington

MEMBERSHIP

Mayor Lester
Councillor Fitzsimons
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 11 December 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 QUARTER TWO REPORTS FOR THE COUNCIL CONTROLLED ORGANISATIONS FOR THE PERIOD ENDING 31 DECEMBER 2017

Purpose

1. This report provides the sub-committee with a review of the second 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 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 attached as appendices:
 - Basin Reserve Trust

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- Karori Sanctuary Trust
 - Wellington Cable Car Limited
 - Wellington Museums Trust
 - Wellington Regional Economic Development Agency Limited
 - Wellington Zoo Trust
6. The second 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 quarter under review is generally a period of implementing the first half of the summer season and preparing for International Matches in the following quarter. However, this year a Test match against the West Indies was scheduled in early December which was followed by the bulk of the domestic Twenty20 cricket programme that took place in Q2.

The Basin Reserve hosted an event at the Basin on 9 December 2017, which showcased some of the best craft breweries, local wineries, street food and music in the Wellington region and was attended by 5,500 people. The following weekend a Wellington Scottish Athletics club night was held with 1,000 people attending and competing.



West Indies Test: Dec 2017



Pakistan ODI: Jan 2018

The Basin Reserve continues to be one of the most well utilised sports facilities in the region.

Events

- One International Cricket Test (5 days)
- Three Plunket Shield (four day) cricket match (12 days)
- Four Wellington Firebirds Twenty20 matches (4 days)

- Two Wellington Women's Club Cricket Games (1 day)
- Beers at the Basin Event (1 Day)
- Wellington Scottish Athletics Club Night of Miles Event (1 Day)
- Cricket Wellington Junior Field Day (1 Day)
- Governor General vs Wellington Wanderers (1 Day)
- 30 Wellington Firebirds training sessions
- 22 Wellington Blaze training sessions
- 4 International Trainings
- 6 Wellington A and Under 19s Trainings
- Functions recommenced at the Basin Reserve following the completion of the RA Vance Stand upgrade.

Master Plan

During Q2 the refurbishment projects for both the RA Vance Stand and the scoreboards were completed in time for the December test match against the West Indies. Design and tendering processes are progressing to redevelop the Players' Pavilion and the South Western Terrace during the coming winter ready for the next cricket season.

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE (\$000)	Budget Q2	Actual Q2	Variance Q2	Budget YTD	Actual YTD	Variance YTD	Budget FYE
Total Revenue	184	165	19 ✗	484	438	46 ✗	911
Total Expenses	249	270	21 ✗	455	443	12 ✓	863
Net Surplus (Loss)	(65)	(105)	40 ✗	29	(5)	34 ✗	48
FINANCIAL POSITION							
Total Assets	821	800	21 ✗				840
Total Liabilities	125	213	88 ✗				125
Equity	696	587	109 ✗				715
CASH FLOWS							
Total Net Cash Flows	(138)	(107)	31 ✓	(5)	12	17 ✓	56
Opening Cash	157	147		24	28		24
Closing Cash	19	40		19	40		80

The Trust's YTD financials are broadly in line with the budget and the Trust expects to meet its full year budget.

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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

MEASURE		Q2 31 Dec 16	Q2 31 Dec 17	YTD 31 Dec 17	3 Year Trend
Cricket Events	Actual	9 ✓	11 ✓		→
	Target	9	9		
Other Sports Events	Actual	0	1 ✓		↗
	Target	0	1		
Community Events	Actual	0	1 ✓		↗
	Target	0	0		
Beers at the Basin event had a sold-out crowd of 5,500 on a warm and sunny Saturday in December.					
Function Bookings	Actual	0 ✗	3 ✓		↗
	Target	5	3		
RA Vance refurbishment works impacted caterers ability to take function bookings in Q2, however it was back to normal from December					
Practice Facility Usage (days)	Actual	52 ✓	41 ✓		↗
	Target	40	41		
Numbers Attending Events	Actual	4,400 ✓	22,000 ✗		↗
	Target	4,000	25,000		
Slightly less due to the West Indies Test Match only going 4 days and a washout of the Domestic T20 fixture on Boxing day in addition to poor weather on match days. The longer term trend is steady/improving.					

ISSUES & OUTLOOK

No issues to note.

Work that began on the northern entrance in Q2 is scheduled to be completed during the autumn and early winter ready for next summer's events at the Basin Reserve. The redevelopment of the players' pavilion and the Brierley Terrace is planned to begin in May and be completed in time for cricket which begins in October.

The Brierley Pavilion is scheduled for removal and relocation at Zealandia in May, prior to commencing earthworks on the Brierley Terrace to create a flexible community space and play

area.

Council will consider options to strengthen and refurbish the Museum Stand in April.

The Trust is expecting to host junior rugby on Saturday and junior football on Sunday during the 2018 winter.

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9. KARORI SANCTUARY TRUST

ACTIVITY SUMMARY

In November ZEALANDIA won the national award for the Restoring Nature category at the Sustainable Business Network awards ceremony attended by Prime Minister Jacinda Ardern.

A successful EECA grant and support from Meridian was confirmed for \$240,000 to purchase two new fully electric minibuses to replace the diesel shuttles: This is a first for New Zealand and a good opportunity to showcase sustainable transport.

Year to date visitor numbers of 60,073 are the highest ever visitor numbers for the six months to December. The second quarter is up 8% on the previous year.

During the summer season the number of visitors from outside the region increases. In quarter two, paid admissions from international visitors represented 52% of total paid admissions versus 34% in Q1 which demonstrates ZEALANDIA'S attractiveness to visitors to Wellington and its international profile.

ZEALANDIA is gaining international media exposure and in Q2 had 18 media appearances, including international coverage from BBC Radio and The Atlantic, and national coverage from Newshub, Radio New Zealand and Fairfax.

Guided tours are becoming an increasingly popular way for visitors to experience ZEALANDIA. In the second quarter, 5,531 visitors connected with nature through a tours experience, up 64% on last year.

International recognition of ZEALANDIA's work continues: During the period the German President and his wife visited for a relaxing walk during their trip to New Zealand in November.

To celebrate Conservation Week in October ZEALANDIA offered a week-long programme of events, activities and workshops.

The arrival of Ahikaea, a 20-year old female takahē, brought the total ZEALANDIA takahē population to four – or (fun fact) just over 1% of the total world population.

Over 40 researchers are now engaged in projects associated with ZEALANDIA, nearly double the number from this time last year.

The Trust's integrated annual report for 2016/17 was highlighted as "state of the art" by the External Reporting Board.

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE (\$000)	Budget Q2	Actual Q2	Variance Q2	Budget YTD	Actual YTD	Variance YTD	Budget FYE
Total Revenue	1,354	1,434	80 ✓	2,150	2,289	140 ✓	4,815
Op. Exp. before Depn & Int.	1,153	1,218	64 ✗	2,124	2,199	76 ✗	4,487
Earnings before Depn & Int.	200	216	16 ✓	26	90	64 ✓	329
Net Surplus (Loss)	57	78	21 ✓	(261)	(185)	76 ✓	(245)
FINANCIAL POSITION							
Total Assets	6,044	4,589	(1,455) ✗				5,883
Total Liabilities	685	921	236 ✗				643
Equity	5,359	3,668	1,691 ✗				5,239

SUMMARY FINANCIALS

CASH FLOWS

Total Net Cash Flows	(131)	(2)	129 ✓	(131)	55	186 ✓	12
Opening Cash	709	1,469		709	1,412		709
Closing Cash	578	1,467		578	1,467		721

The positive variances to budget reflect the Trust's improvements in the efficiency of the trading activities and the higher than forecast visits to ZEALANDIA. Higher than expected admissions revenue and tour sales have underpinned this Q2 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
^ denotes annual target.

MEASURE		Q2 31 Dec 16	Q2 31 Dec 17	YTD 31 Dec 17	3 Year Trend
Full costs to Council*	Total	\$347k	\$371k	\$820k	n/a
	\$/visit	\$10.22	\$10.15	\$13.66	
* Council operating grant plus property related cost. This measure is required by Council and includes property costs which the Trust does not control.					
Council Subsidy (\$/visit)	Actual	\$7.70 ✓	\$6.95 ✓	\$6.95 ✓	↗
	Target^	\$9.35	\$9.07	\$9.07	
A steadily improving trend in reducing the Council subsidy per visitor to ZEALANDIA.					
Average Revenue** (\$/visit)	Actual	\$26.73 ✓	\$29.40 ✓	\$29.40 ✓	↗
	Target^	\$25.96	\$26.22	\$26.22	
** Revenue per visit excludes interest, Council and other grants. Average revenue earned per visitor shows a steadily improving trend which strengthens the financial sustainability of ZEALANDIA and reduces its dependence upon Council support.					
Non-Council Funding	Actual	\$88,981	\$96,606	\$139,649	↗
	Target^	\$250,000	\$265,000	\$265,000	
The Trust is tracking well to achieve its non-Council funding target.					
Membership Subscription Revenue^^	Actual	\$88,534	\$93,929	\$154,833	↗
	Target^	\$300,000	\$306,000	\$306,000	
^^ Not a KPI – this is a management target.					
Visitors	Actual	33,926 ✓	36,524 ✓	60,073 ✓	↗
	Target	30,355	31,295	45,209	

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

Zealandia's popularity as a visitor destination is continuing to grow.

Students & Education Visits	Actual	4,359 ✓	2,836 ✗	5,449 ✓	↗
	Target	3,350	3,409	5,259	

Below Q2 target but expected to meet the full year target of student and education related visitors.

Individual Members	Actual	11,110 ✓	11,245 ✓	11,245 ✓	↗
	Target^	10,400	10,600	10,600	

The Trust has a strong membership base which is comfortably ahead of the full year target.

In the second quarter of 2017/18 ZEALANDIA continued to build on the visitor success achieved in the first quarter. Year to date visitor numbers of 60,073 are the highest ever visitor numbers for the six month period July to December. The second quarter is up 8% on the previous year.

During the summer season ZEALANDIA are connecting more visitors with nature through tour experiences. ZEALANDIA are hosting more cruise ship visitors, more international visitors are opting for day tours over general admission and night tours began being sold out from October 2017. Over the quarter 5,531 visited ZEALANDIA on a guided tour, up from 3,365 last year.

ISSUES & OUTLOOK

No issues to note.

ZEALANDIA has made significant investment in the development of a 10 year capital development plan for Council consideration as part of the LTP process. This articulates the pressing and immediate need for accommodation to ensure ZEALANDIA are able to provide all people who work at/with the sanctuary an appropriate and healthy working environment.

Cricket Wellington has agreed in principle to sell the Brierley Pavilion to the Trust with a transfer of ownership date of 30 April 2018. The ground lease for the new building has now been signed by the Trust and Council. ZEALANDIA plan to relocate the building to a site on Waiapu Road subject to resource and building consents being granted. This will provide immediate relief to some of the most pressing accommodation needs for staff.

10. WELLINGTON CABLE CAR LIMITED

ACTIVITY SUMMARY

The decommissioning of the overhead trolley bus network commenced in November 2017 and, at this stage, is on budget and ahead of schedule with approximately 1/3rd of the network having been decommissioned. The project has benefited from the good weather over the summer period.

The company has been working with Citylink in relation to the span wires that support this network which will be retained for a further period of time (provisionally January 2021).

The company's network team is busy with a large number of requests for UFB attachments to the network by Chorus as part of the rollout of fibre optic connections within the city.

During the second quarter, the 2017/18 cruise ship season commenced which has contributed strongly to cable car passenger numbers and revenue.

The company continued to develop its long-term strategy including preparations to fund the replacement rolling stock in 8-10 years' time. The company's current strategy is that fare increases will be required along with careful expense management to build the company's cash reserves. Any shortfall in cash reserves would need to be funded by debt.

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE (\$000)	Budget Q2	Actual Q2	Variance Q2	Budget YTD	Actual YTD	Variance YTD	Budget FYE
Total Revenue	2,585	2,386 ✗	(199)	5,301	4,047 ✗	(1,255)	\$9,072
Total Expenditure	2,454	2,173 ✓	282	5,269	3,902 ✓	1,368	\$8,798
Net Surplus (Loss) after tax	130	213 ✓	83	32	145 ✓	113	\$273
FINANCIAL POSITION							
Total Assets		12,235					
Total Liabilities		2,364					
Equity		9,871					
CASH FLOWS							
Total Net Cash Flows		\$978			\$855		
Opening Cash		\$2,433			\$2,556		
Closing Cash		\$3,411			\$3,411		

The after-tax surplus for the quarter was \$213k against a forecast surplus of \$130k. The main driver for the \$83k positive variance was the Cable Car division with revenue exceeding budget by \$74k and careful expense management with administration costs being under budget by \$38k.

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.

		Q2	Q2	YTD	3 Year
MEASURE		31 Dec 16	31 Dec 17	31 Dec 17	Trend
Passenger Trips	Actual	266,165 ✗	330,011 ✓	522,163 ✓	→
	Target	293,325	293,010	499,377	
Passenger numbers are relatively steady.					
Fare Income	Actual	\$636,218 ✗	\$882,835 ✓	\$1,460,276 ✓	↗
	Target	\$796,147	\$808,556	\$1,299,348	
The trend for fare income and average fare per passenger is improving.					

The good pre-Christmas weather and the commencement of the 2017/18 cruise ship season has assisted with the increase in passenger numbers in quarter two.

ISSUES & OUTLOOK

No issues to note.

The Company is undertaking detailed planning for the future structure and funding of the company and Cable Car capital replacements.

11. WELLINGTON MUSEUMS TRUST

ACTIVITY SUMMARY

Performance highlights

- On 19 November 2017 City Gallery Wellington closed to the public for the alterations to the entrance and foyer. Recladding of the East Stair tower and replacement of the boiler on the roof will start in early 2018.
- City Gallery Wellington Foundation will donate the funds to purchase six screens for electronic signage in the foyer and the Deane Endowment Trust committed \$10,000 towards the *This Is New Zealand* exhibition catalogue.
- Retail sales through the revamped Gallery Shop have been strong during the second quarter. Changes include opening the door to the courtyard, external signage and a greater range of niche and quality general stock.
- The first leg of the tour of City Gallery Wellington's exhibition *John Stezaker: Lost World* opened at Govett Brewster Art Gallery, New Plymouth (9 December 2017 – 4 March 2018). Chief Curator Robert Leonard attended the opening and gave a talk on the show.
- *Cable Car Hoopla* the celebration of the 115th Anniversary of the Cable Car, in association with Wellington Cable Car Ltd, was an evening of music and celebration. This was well attended and appealed to a younger audience.
- An exhibition put on by the Indian Community in the Flux space at Wellington Museum was well attended.
- The national tour of Capital E's junior theatre work *Songs of the Sea* entertaining over 15,000 children, their teachers and caregivers all over New Zealand has been completed.
- The Capital E *Roxy5 Short Film Competition* wrapped for another year and culminated in the *Before & After* event at the Roxy cinema for the winners Otaki College and Wellington High School and confirmation of the continued support from Ministry for Youth Development.
- Capital E welcomed 3,432 school students, their teachers and caregivers to MediaLab and OnTV in Term 4. This audience came from across New Zealand, confirming schools' restored confidence in Wellington as a host destination following the November 2016 earthquakes.

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE (\$000)	Budget Q2	Actual Q2	Variance Q2	Budget YTD	Actual YTD	Variance YTD	Budget FYE
WELLINGTON MUSEUMS TRUST (EXCL. SPACE PLACE)^							
Total Revenue	2,688	3,128	440 ✓	5,560	5,958	398 ✓	10,955
Total Expenses before Depn	2,465	2,758	293 ✗	5,499	5,613	114 ✓	10,556
Depreciation	100	124	24 ✗	200	262	62 ✗	399
Net Surplus (Loss)	123	247	124 ✓	(139)	83	222 ✓	0
SPACE PLACE^							
Total Revenue	240	248	8 ✓	479	481	2 ✓	956
Total Expenses before Depn	269	299	30 ✗	537	542	24 ✗	1,086
Net Surplus (Loss)	(32)	(53)	21 ✗	(64)	(86)	22 ✗	(130)

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SUMMARY FINANCIALS

FINANCIAL POSITION		Both Activities					
Total Assets	5,540	6,142	602 ✓				5,680
Total Liabilities	1,210	1,648	438 ✗				1,073
Equity	4,534	4,494	40 ✗				4,607
CASH FLOWS		Both Activities					
Total Net Cash Flows	200	(2,136)	2,336 ✗	1,587	101	1,486 ✗	(185)
Opening Cash	640	3,110		1,065	873		1,065
Closing Cash	840	981		2,652	981		880

^ The Trust's SOI reports the Financial Performance for both Space Place and Wellington Museums Trust (excluding Space Place) separately.

Experience Wellington is ahead of budget, mainly due to timing differences, after the second quarter and expects to meet its full year budget at year end 30 June 2018.

Note: The budget figures contained in the Trust's financial statements appended to this report do not match those supplied with the Trust's Statement of Intent. Council measures performance against the SOI budget, which are shown here.

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		Q2 31 Dec 16	Q2 31 Dec 17	YTD 31 Dec 17	3 Year Trend
Full Costs to Council*	Total	\$2.3m	\$2.3m	\$4.6m	n/a
	\$/visit	\$17.98	\$12.35	\$12.69	
* 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.					
Council Grant (\$/visit)	Actual	\$16.79 ✗	\$9.88 ✓		↗
	Target	\$10.45	\$10.85		
The Q1 Council Grant per visit was \$9.98 per visit. Strong visitation has contributed to the lower Council subsidy per visit result.					
Average Spend (\$/visit)	Actual	\$2.22 ✗	\$3.22 ✗		→
	Target	\$3.52	\$3.52		
Average spend per visit is above the prior year but continues to fall below the budget expectations.					
Non-Council Revenue	Actual	\$1.38m	\$0.98m	\$1.83m	→
	Target^	\$4.14m	\$3.52m	\$3.52m	
^ Annual target.					
		Q2	Q2	YTD	3 Year

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

VISITATION		31 Dec 16	31 Dec 17	31 Dec 17	Trend
Total Visits	Actual	173,743 ✗	184,748 ✓	359,889 ✓	↗
	Target	173,790	162,100	331,700	
Overall visitation is ahead of YTD target at most institutions, led by City Gallery which is significantly ahead of its YTD target.					
Cable Car Museum	Actual	67,369 ✓	78,503 ✓	117,501 ✓	→
	Target	63,800	59,800	115,000	
The October School Holidays, the start of the Cruise Ship Season, and the warm and dry weather have contributed to the Cable Car Museum exceeding its Q2 visitation target.					
City Gallery	Actual	34,728 ✗	35,023 ✓	92,934 ✓	↗
	Target	38,000	20,000	65,000	
The combination of strong venue hire, over 35 tours and public programmes including three Tuatara Open Lates, Art Crime Symposium and Lit Crawl, and exhibition attendance (daily average of 592) contributed to exceeding the Q2 target.					
Capital E	Actual	20,903 ✓	21,561 ✗	59,335 ✓	↗
	Target	17,850	28,500	56,000	
Below target for the quarter, but ahead of target YTD. A number of factors affected our Q2 results, namely the cancellation of our Halloween event (which typically attracts more than 4,000 visitors) but also reduced numbers in our Play Space during October school holidays (this year there was a more immersive installation which provided richer experiences with longer dwell times but overall there were fewer visitors). December also saw lower than normal numbers in our Play Space due to the good weather Wellington experienced in the lead up to Christmas.					
Wellington Museum	Actual	38,838 ✗	35,511 ✗	61,186 ✗	→
	Target	42,000	40,000	70,000	
Renaissance Tour Company have changed their shuttle service so the first drop off point is now outside Te Papa rather than near Wellington Museum, so by the time the visitors have been to Te Papa, Cuba Street and the Cable Car they have had their Wellington experience and lower numbers are coming to Wellington Museum.					
Space Place	Actual	11,603 ✗	13,742 ✓	27,877 ✓	↗
	Target	11,700	13,500	25,000	
Tracking well against target and better than for the same period last year.					
Nairn Street Cottage	Actual	302 ✗	408 ✓	1,056 ✓	↗
	Target	440	300	700	
The Nain Street Preservation Society workshops have been selling out which has contributed to the Nairn Street Cottage exceeding its Q2 visitation target. The Cottage began its Summer Hours (open every day) from 1 January 2018.					

ISSUES & OUTLOOK

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No issues to note.

City Gallery reopened to the public on 3 March with a new front door and refurbished foyer.

12. WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED

ACTIVITY SUMMARY

Tourism and marketing

- WREDA's spring tourism campaign in Australia, Discover Wellington NZ Creative Heart delivered strong results with significant increases in flight and hotel bookings.
- Domestic marketing included the Wellington, Discover Your Alternative Summer campaign which commenced in November.
- WREDA and Air NZ partnered in a Wellington sale which saw a 92% increase in bookings compared to normal.
- Trained more than 1992 international travel agents, double that of the same period last year, 114 travel agents were hosted in Wellington
- Appointments and training activity has focussed on key feeder markets for the Singapore Airlines long haul service.
- Hosted a number of international media which resulted in a number of Wellington stories in the media.
- WellingtonNZ.com received 774,516 visits in Q2, over 450,000 were new visitors.

Events

- The World of WearableArt Awards Show completed its run in October, with the event's largest ever attendance, 67% of the 60,000 show-goers coming from out of region.
- The All Whites FIFA intercontinental qualifier match against Peru attracted the largest crowd ever to attend a football match in New Zealand with more than 37,000 supporters, including an estimated 2,000 Peruvian fans, many of whom were from Australia. The event brought an estimated \$8 million to the Wellington economy.
- Late October saw the Asia Pacific Amateur Golf Champs at the Royal Wellington Golf Club. The competition commanded a global media contingent that showcased the region to their audiences back home. A full economic impact report has been commissioned and results are expected in quarter 3.
- The NZ Special Olympics had 95% out of region participation and brought in over 3,000 athletes, supporters and officials to the city for a week of competitions.
- WREDA partnered with Te Papa on an out-of-region marketing campaign to promote the Lego exhibition – Brickman Wonders of the World – which saw 50,000 people visit in December. The exhibition has proved one of Te Papa's most popular summer exhibitions and has contributed to a record December, with 78% of the almost 160,000 visitors to Te Papa from out of region.
- Working on the business case for the new Indoor Arena

Economic Development

- Wellington is performing well in student attraction, a number of education agents were hosted in Wellington.
- The Regional Business Partner Program continued, 144 regional businesses supported in

ACTIVITY SUMMARY

the quarter

- Increased number of interns (132) placed in the Tech sector
- The LookSee program continued with 24 placed in 16 businesses, a further 30 candidates are still in discussion.
- Supported the Porirua Pop-Up Business School, Pop-Schools to follow in Upper Hutt and Kapiti
- Organised the Wellington Health Tech Networking event assisting life science entrepreneurs with commercial skills, very positive feedback
- Creative HQ completed the delivery of 3 high profile acceleration programs, Lightning Lab Electric R9 GovTech and Fonterra Disrupt.
- Attracted new clients to Creative HQ's innovation program, including Sealord, Sanford, Foodstuffs, PHARMAC, The Warehouse, and Lincoln University.

Venues

- 70 conferences and meeting events were delivered in the quarter resulting in 87,525 delegates.
- There were 77 ticketed events with a total attendance of 117,387, 29% were from out of region. Highlights included the completion of the WOW season, sold out performances from Lorde, Brian Cox, Angus & Julia Stone. Kevin Bridges, Paw Patrol, Lorde and Royal NZ Ballet
- Venues delivered 73 business events and conferences, attended by 87,525 people and 77 performance events were attended by 60,731 people.
- WREDA's Business Events team won 13 new business events for Wellington in the quarter, worth an estimated \$6.1 million to the region, including Involve 2018 (Mental Health and Youth), with 600+ delegates, Bunnings 500+ delegates.
- Excellent feedback from a number of large events including Augusta Tournament Evening, Z Energy and Wellington Free Ambulance.

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE	Budget	Actual	Variance	Budget	Actual	Variance	Budget
(\$000)	Q2	Q2	Q2	YTD	YTD	YTD	FYE
Total Revenue	7,084	7,996	912 ✓	15,737	16,110	373 ✓	29,088
Total Expenses	7,619	9,457	1,838 ✗	15,873	16,732	859 ✗	28,988
Net Surplus (Loss)	(535)	(1,461)	926 ✗	(136)	(622)	486 ✗	100
FINANCIAL POSITION							
Total Assets				3,866	4,652	786 ✓	5,115
Total Liabilities				2,530	3,659	1,129 ✓	3,500
Equity				1,336	992	343 ✗	1,615
CASH FLOWS							
Total Net Cash Flows	(1,079)	(1,078)	1 ✓	(661)	284	945 ✓	(260)

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

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SUMMARY FINANCIALS

Opening Cash	2,518	3,069	2,100	1,707	2,100
Closing Cash	1,439	1,991	1,439	1,991	1,840

Comments

- The large deficit in Q2 is due to the timing of invoices for Major Events being received in December rather than in January as planned. The budgeted year end surplus of \$47,000 is still expected to be achieved.
- Q2 revenue is up on budget due to higher Government grants funding Creative HQ's programs.

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

The trend on year on year performance → Steady ↗ Improving ↘ Declining

A number of KPIs are only measured annually due to the absence of official data on a YTD basis

MEASURE		YTD 31 Dec 16	YTD 31 Dec 17	Forecast 30 Jun 18	Trend
International student enrolments <i>Source: Education NZ</i>	Actual	n/a	n/a	9,200	↗
	Target^	n/a	n/a	9,200	
International student visas <i>Source: Education NZ</i>	Actual	n/a	5,775	6,930	↗
	Target^	n/a	5,200	6,930	
Permanent arrivals <i>Source Statistics New Zealand</i>	Actual	2,311	3,888	3,600	↗
	Target^	1,000	2,000	3,600	
Commercial guest nights <i>Source Statistics New Zealand</i>	Actual	1.11m	1.5m	3.3m	↗
	Target^	1.0m	1.2m	3.2m	
Visitor spend <i>Source: MBIE</i>	Actual	n/a	\$1,219m	\$2,600m	↗
	Target^	n/a	\$1,210m	\$2,600m	
Value of facilitated screen production <i>Source Screen Wellington</i>	Actual	\$91.8m	\$64.5m	\$100m	↗
	Target^	\$50m	\$50m	\$100m	
Number of Wellingtonian's attending a performance event	Actual	n/a	162,415	290,720	↗
	Target^	n/a	116,288	290,720	
Number of events <i>Source Supplied by the relevant venue</i>	Actual	n/a	289	621	→
	Target^	n/a	295	624	
NZ market share of multi day conferences <i>Source Supplied by the relevant venue</i>	Actual	19%	22%	18%	↗
	Target^	16%	18%	18%	
Economic value of Major Events invested in <i>Source Supplied by the relevant venue</i>	Actual	n/a	\$57.2m	\$80m	↗
	Target^	\$40m	\$40m	\$80m	

At this stage WREDA expects to meet or exceed its KPIs

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ISSUES & OUTLOOK

- Strong forward calendar for Venues and Events with NZ Festival, Cupa Dupa, Homegrown, Stomp, Imagine Dragons and the Muppets
- Busy international cricket program in January to March with Pakistan and England matches.
- High season for international tourists
- Planning for the closure of the St James for earthquake strengthening at the beginning of Q4.

13. WELLINGTON ZOO TRUST

ACTIVITY SUMMARY

The Zoo has achieved its 5th annual carboNZero certification. It will to switch to Ecotricity later this year, New Zealand's only 100% carboNZero certified electricity provider.

CE Karen Fifield attended the 72nd WAZA (World Association of Zoos and Aquariums) Conference held in Berlin where she presented in the People, Profit, Planet, Progress section regarding sustainability in Zoos and Aquariums using the UN Sustainable Development Goals.

Visitor numbers are currently 6.8% ahead of those recorded as at 31 December 2016.

In collaboration with the Wellington Chocolate Factory, three new Zoo chocolate bars supporting the Zoo's conservation partners (Gibbons, Cheetahs and Sun Bears) have been launched to sell over the holiday season. In October the Zoo began selling its Wellington Zoo 'Re-Wrap' reusable tote bags at New World Wellington City. This product supports social and environmental responsibility throughout its manufacture in Indian communities and aligns Wellington Zoo's conservation messages with the national conversation around single-use plastic bags.

Amy Hughes, GM Community Engagement, presented at both Taronga Western Plains and Taronga Zoos in NSW on how The Nest Te Kōhanga visitor experience was developed. Both Australian zoos have acknowledged that The Nest Te Kōhanga is the best example known of a zoo animal hospital combining excellent animal care with great visitor engagement and they are looking at following Wellington Zoo's model in the near future.

Senior Veterinarian, Baukje Lenting, was a key presenter at the TEDxVUW Talks and spoke about "Conservation Research through a Zoo Veterinary Hospital".

There has been an influx of baby animals delivered at the Zoo during the quarter including meerkat pups, a red panda and six Nyala calves.

During the quarter, staff attended:

- at NAWAC's request, the NAWAC/NAEAC2 workshop on animal sentience for Wellington Zoo's input into the sentience requirements in the revised NZ Animal Welfare Guidelines.
- the ZAA Exotic Species Summit, Christchurch to discuss the collection and population management and import health standards for New Zealand zoos.
- a Giraffe training and husbandry conference at Cheyenne Mountain Zoo, USA. Team Leader Birds and Herbivores, Bobby Stoop, will introduce some of these initiatives into our standard Giraffe training practices. Subsequently, Taronga Zoo in Sydney funded Bobby to visit their zoo in December to pass on his learnings from the conference.

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE	Budget	Actual	Variance	Budget	Actual	Variance	Budget
(\$000)	Q2	Q2	Q2	YTD	YTD	YTD	FYE
Total Revenue	1,898	2,117	217 ✓	3,544	4,225	678 ✓	7,218
Total Expenses	1,820	1,882	61 ✗	3,640	3,626	15 ✓	7,218
Net Surplus (Loss)	78	235	156 ✓	(96)	599	693 ✓	0
FINANCIAL POSITION							
Total Assets	2,419	3,974	1,555 ✓				2,116
Total Liabilities	1,160	1,669	509 ✗				1,161

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4 APRIL 2018

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SUMMARY FINANCIALS

Equity	1,259	2,305	1,046 ✓			955
CASH FLOWS						
Total Net Cash Flows	(739)	(499)	240 ✓	(91)	1,443	1,532 ✓ (388)
Opening Cash	3,021	3,848		2,372	3,848	2,372
Closing Cash	2,281	3,349		2,281	3,349	1,984

The result for the second quarter shows a surplus of \$235k against a budgeted surplus of \$78k. The Trust's YTD position is almost \$700k ahead of budget, mainly as a result of \$500k unbudgeted capital grants which were received during the first two quarters. The Trust does not budget for the sponsorship and donations it targets each year for capital purposes due to the uncertainty related to receiving these grants.

The Trust continues to expect it will meet its full year break-even budget.

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
^ denotes annual target. The Trust reports against its annual targets each quarter.

MEASURE		Q2 31 Dec 16	Q2 31 Dec 17	YTD 31 Dec 17	3 Year Trend
Full costs to Council*	Total	\$1.4m	\$1.3m	\$2.6m	n/a
	\$/visit	\$26.37	\$19.24	\$23.61	
* Council operating grant plus property related cost. This measure is required by Council and includes property costs which the Trust does not control.					
Council Subsidy (\$/visit)	Actual	\$14.30 ✗	\$11.75 ✓	\$14.53 ✗	→
	Target^	\$13.05	\$13.57	\$13.57	
The impact of Council's funding of its living wage policy was not forecast in the SOI budgets.					
Average Revenue** (\$/visit)	Actual	\$18.77 ✓	\$18.97 ✓	\$18.88 ✓	→
	Target^	\$15.94	\$16.26	\$16.26	
** Revenue per visit excludes interest, Council and other grants.					
Percentage Operating Costs Generated by the Trust	Actual	54% ✗	69% ✓	58% ✓	→
	Target^	55%	54%	54%	
Trust Generated Income as Percentage of the Council's grant	Actual	131% ✓	161% ✓	130% ✓	→
	Target^	122%	120%	120%	

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

Visitors	Actual	52,053 ❌	68,970 ✅	111,506 ✅	↗
	Target	66,460	61,060	110,663	
843 visitors ahead of target YTD and 16,917 visitors ahead of the same period last year.					
Zoo School (LEOTC) Visits	Actual	2,250	3,572	6,067	→
	Target^	10,000	10,500	10,500	
LEOTC figures are tracking well- this is an annual measure for MOE.					
Percentage of native patient successful released to the wild after treatment in the Nest Te Kōhanga	Actual		82% ✅	82% ✅	→
	Target^	>55%	>55%	>55%	

ISSUES & OUTLOOK

No issues to note.

Wellington Zoo will be working with Zealandia to band kākā that come through The Nest Te Kōhanga that are ready for release. When birds are sighted in the community or return to The Nest Te Kōhanga then Zoo will be able to obtain information on the rehabbed and released birds.

Attachments

Attachment 1.	Basin Reserve Q2 Report 31-Dec-2017	Page 29
Attachment 2.	Karori Sanctuary Trust Q2 Report 31-Dec-2017	Page 38
Attachment 3.	Wellington Cable Car Q2 Report 31-Dec-2017	Page 56
Attachment 4.	Wellington Museums Trust Q2 Report 31-Dec-2017	Page 64
Attachment 5.	WREDA Q2 Report 31-Dec-2017	Page 75
Attachment 6.	Wellington Zoo Trust Q2 Report 31-Dec-2017	Page 100

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COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

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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
STATEMENT OF FINANCIAL PERFORMANCE
For the period ended: 31 December 2017**

	Actual	Budget	Variance	Annual Budget
	\$	\$	\$	\$
Revenue				
Council funding	301,511	324,497	(22,986)	628,993
Grants other	1,750	-	1,750	-
Sales of goods and services	133,900	157,000	(23,100)	278,000
Interest revenue	84	2,000	(1,916)	3,500
Total Revenue	437,245	483,497	(46,252)	910,493
Expenses				
Depreciation of property, plant and equipment	58,112	60,000	1,888	120,000
Costs related to providing goods and services	325,853	339,150	13,297	608,300
Other expenses	57,882	55,550	(2,332)	134,625
Total Expenses	441,847	454,700	12,853	862,925
Surplus/(Deficit) for the Year	(4,602)	28,797	(33,399)	47,568

**COUNCIL CONTROLLED ORGANISATIONS
SUBCOMMITTEE**
4 APRIL 2018

**BASIN RESERVE TRUST
STATEMENT OF FINANCIAL POSITION
As at 31 December 2017**

	Actual	Budget	Variance	Annual Budget
	\$	\$	\$	\$
Assets				
Current Assets				
Bank accounts and cash	39,579	19,000	20,579	79,633
Debtors and prepayments	141,952	172,839	(30,887)	166,137
Total Current Assets	181,531	191,839	(10,308)	245,770
Non-Current Assets				
Property, plant and equipment	618,208	629,429	(11,221)	594,429
Total Non-Current Assets	618,208	629,429	(11,221)	594,429
Total Assets	799,739	821,268	(21,529)	840,199
Liabilities				
Current Liabilities				
Creditors and accrued expenses	210,321	125,200	(85,121)	125,360
Income received in advance	-	-	-	-
Unearned income	2,573	-	(2,573)	-
Total Current Liabilities	212,894	125,200	(87,694)	125,360
Total Liabilities	212,894	125,200	(87,694)	125,360
Total Assets less Total Liabilities	586,845	696,068	(109,223)	714,839
Trust Equity				
Contributed capital	100	100	-	100
Accumulated surpluses	586,745	695,968	(109,223)	714,739
Total Trust Equity	586,845	696,068	(109,223)	714,839

**BASIN RESERVE TRUST
STATEMENT OF CASH FLOWS
For the period ended: 31 December 2017**

	Actual	Budget	Variance	Annual Budget
	\$	\$	\$	\$
Cash Flows from Operating Activities				
Receipts of council funding	303,382	291,597	11,785	578,993
Receipts of grants other	1,414	-	1,414	-
Receipts from sale of goods and services	79,021	56,600	22,421	178,000
Interest receipts	84	2,000	(1,916)	3,500
Payments to suppliers and employees	(332,177)	(303,012)	(29,165)	(612,925)
GST (net)	12,926	(27,310)	40,236	(42,060)
Net Cash Flows from Operating Activities	64,650	19,875	44,775	105,508
Cash Flows from Investing and Financing Activities				
Payments to acquire property, plant and equipment	(52,896)	(25,000)	(27,896)	(50,000)
Net Cash Flows from Investing and Financing Activities	(52,896)	(25,000)	(27,896)	(50,000)
Net Increase/(Decrease) in Cash for the Year	11,754	(5,125)	16,879	55,508
Add opening bank accounts and cash	27,825	24,125	3,700	24,125
Closing Bank Accounts and Cash	39,579	19,000	20,579	79,633

**COUNCIL CONTROLLED ORGANISATIONS
SUBCOMMITTEE**
4 APRIL 2018

**BASIN RESERVE TRUST
CAPITAL EXPENDITURE**
For the period ended: 31 December 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Relocate Irrigation Controllers	20,750	20,750	-
New Cricket Netting	9,500	4,250	(5,250)
Sideline Seating	7,498	-	(7,498)
Cricket Cover for Cage	4,140	-	(4,140)
Gate House House Renovations	4,046	-	(4,046)
Timeline Panels & Notice Boards	3,880	-	(3,880)
40 Inch HD LED TV's - 7	4,452	-	(4,452)
	<u>54,266</u>	<u>25,000</u>	<u>(29,266)</u>

**BASIN RESERVE TRUST
CASH FLOW PROJECTION
As at 31 December 2017**

Current Assets	
Bank accounts and cash	39,579
Debtors	141,952
	<hr/>
	181,531
To Be Applied As Follows:	
Creditors and accrued expenses	210,321
Unearned income	2,573
	<hr/>
	212,894
	<hr/>
	(31,363)
Commitments	
Turf Management 2017/18	10,000
	<hr/>
	10,000
Funds Available (Deficit)	<hr/>
	(41,363)

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 4 APRIL 2018

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BASIN RESERVE TRUST STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 DECEMBER 2017

Income	Actual	Budget	Variance	Annual Budget
Grant Income				
Grant Wellington City Council	301,511	324,497	(22,986)	628,993
Grant Other	1,750	-	1,750	-
	<u>303,261</u>	<u>324,497</u>	<u>(21,236)</u>	<u>628,993</u>
Ground Hire Income				
Ground Hire International Cricket	63,500	65,000	(1,500)	95,000
Ground Hire Domestic Cricket	35,000	29,000	6,000	58,000
Ground Hire Winter Sports	600	-	600	-
Ground Hire Other Events	28,000	10,000	18,000	20,000
	<u>127,100</u>	<u>104,000</u>	<u>23,100</u>	<u>173,000</u>
Other Income				
Concession Income	6,074	13,000	(6,926)	25,000
Signage	600	40,000	(39,400)	80,000
Donations	-	-	-	-
Picket Fence Income	126	-	126	-
Miscellaneous income	-	-	-	-
	<u>6,800</u>	<u>53,000</u>	<u>(46,200)</u>	<u>105,000</u>
Interest Income				
Interest income	84	2,000	(1,916)	3,500
Total Income	<u>437,245</u>	<u>483,497</u>	<u>(46,252)</u>	<u>910,493</u>
Expenditure				
Building Expenses				
Repairs & Maintenance	3,584	12,500	8,916	25,000
Cleaning	-	5,000	5,000	8,000
Electrical Services	1,891	1,500	(391)	3,000
Fire System	3,964	3,500	(464)	7,000
Painting	-	1,000	1,000	2,000
Pest Control	3,743	1,500	(2,243)	3,000
Plumbing	230	2,000	1,770	5,000
Other	-	250	250	500
	<u>13,412</u>	<u>27,250</u>	<u>13,838</u>	<u>53,500</u>

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 31 DECEMBER 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Annual Budget</u>
Ground Expenses				
Electrical Services	1,669	500	(1,169)	1,000
Equipment Hire	-	400	400	800
Cleaning	3,253	500	(2,753)	1,000
Irrigation	754	500	(254)	500
Painting	626	4,000	3,374	8,000
Plumbing	3,058	4,000	942	10,000
Rubbish Removal	7,725	7,000	(725)	15,000
Structures Repairs & Maintenance	14,425	22,000	7,575	40,000
Turf	147,415	165,000	17,585	280,000
Karori Park Operation Contribution	-	-	-	10,000
	<u>178,925</u>	<u>203,900</u>	<u>24,975</u>	<u>366,300</u>
Occupancy Expenses				
Gas	1,653	3,500	1,847	7,000
Electricity	9,486	11,500	2,014	23,000
Rates	15,970	15,000	(970)	30,000
Security	6,055	6,000	(55)	12,000
Telephones	1,505	1,500	(5)	3,000
Water Rates	14,106	6,000	(8,106)	12,000
Television	-	3,000	3,000	6,000
Insurance	1,055	6,500	5,445	7,500
Consumables Laundry & Toilet	10,873	5,000	(5,873)	10,000
	<u>60,703</u>	<u>58,000</u>	<u>(2,703)</u>	<u>110,500</u>
Event Running Expenses				
Event Running	69,971	46,000	(23,971)	70,000
Casual Staff	2,842	4,000	1,158	8,000
	<u>72,813</u>	<u>50,000</u>	<u>(22,813)</u>	<u>78,000</u>
Administration Expenses				
Audit	-	-	-	13,500
Accounting	6,000	6,000	-	12,000
Bank Fees	63	50	(13)	125
Consultants	16,717	10,000	(6,717)	30,000
Management Fee	34,000	34,000	-	68,000
	<u>56,780</u>	<u>50,050</u>	<u>(6,730)</u>	<u>123,625</u>
Other Expenses				
Interest Expense	-	-	-	-
Marketing	874	5,000	4,126	10,000
Miscellaneous	88	500	412	1,000
Picket Fence Expenses	140	-	(140)	-
	<u>1,102</u>	<u>5,500</u>	<u>4,398</u>	<u>11,000</u>

COUNCIL CONTROLLED ORGANISATIONS
SUBCOMMITTEE
 4 APRIL 2018

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 31 DECEMBER 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Annual Budget</u>
Depreciation Expense				
Depreciation Expense	58,112	60,000	1,888	120,000
	58,112	60,000	1,888	120,000
Total Expenditure	<u>441,847</u>	<u>454,700</u>	<u>12,853</u>	<u>862,925</u>
Net Surplus (Deficit) for the Period	<u>(4,602)</u>	<u>28,797</u>	<u>(33,399)</u>	<u>47,568</u>

BASIN RESERVE TRUST
MANAGEMENT ACCOUNTS COMMENTARY
FOR THE PERIOD ENDED 31 DECEMBER 2017

Income

1. Grant Wellington City Council - Grant for the Q1 2017/18 Turf Management was not as large as envisaged due to the Turf Costs for the quarter being lower than anticipated.
2. Ground Hire Domestic Cricket - Didn't budget for as busy a domestic season as has occurred.
3. Ground Hire Other Events - Didn't budget for the Beers at the Basin Income.
4. Concession Income - Didn't envisage the Long Room & Norwood Rooms being unavailable due to the capital upgrades carried out to November.
5. Signage - Budgeted to receive income from signage.
6. Building Repairs & Maintenance - Haven't spent as much on maintenance in the half due to capital upgrade being undertaken by Council.
7. Structures Repairs & Maintenance - Haven't spent as much as budgeted for.
8. Turf - Costs in the first half weren't as high as budgeted for.
9. Water Rates - Higher than budgeted due to the lack of rain in the last quarter.
10. Insurance - Budgeted for cost of insuring the LED screen, which won't eventuate.
11. Consumables Laundry & Toilet - Have been billed in this last quarter for some expenditure that occurred last year that was never invoiced then.
12. Event Running - Has cost more to host the West Indies Test than was envisaged when the budget was set.
13. Consultants - Didn't budget for the cost of evaluating the naming rights and sale that was carried out.



Report to the Wellington City Council CCO Performance Committee Second Quarter ended 31 December 2017

LIVING WITH NATURE



A PLACE THAT TREASURES
HE WĀHI TAONGA



A PLACE THAT ENGAGES
HE WĀHI HUIHUIINGA



A PLACE FOR LEARNING
HE WĀHI MĀTAURANGA



A PLACE THAT EMPOWERS
HE WĀHI WHAKAMANA

Highlights

- In November we won the national award for the Restoring Nature category at the Sustainable Business Network awards ceremony attended by PM Jacinda Ardern.
- A successful EECA grant and support from Meridian were confirmed for \$240,000 to purchase two new fully electric minibuses to replace our diesel shuttles: A first for New Zealand and a great opportunity to showcase sustainable transport.
- Year to date visitor numbers of 60,073 are the highest ever visitor numbers for the six months to December. The second quarter is up 8% on the previous year.
- Guided tours are becoming an increasingly popular way for visitors to experience ZEALANDIA. In the second quarter, 5,531 visitors connected with nature through a tours experience, up 64% on last year.
- International recognition of ZEALANDIA's work continues: We hosted the German President and his wife for a relaxing walk during their visit to New Zealand in November.
- To celebrate Conservation Week in October we offered an exciting week-long programme of events, activities and workshops.
- The arrival of Ahikaea, a 20-year old female takahē, brought the total ZEALANDIA takahē population to four – just over 1% of the total world population.
- Over 40 researchers are now engaged in projects associated with ZEALANDIA, nearly double the number from this time last year.



Minister Megan Woods, Paul Atkins and Andrew Caseley (EECA Chief Executive) plug in after the EECA Low Emission Vehicles Contestable Fund announcement at ZEALANDIA Photo: EECA

VISITOR EXPERIENCE

Our visitor numbers continue their upward trend – we hosted 36,524 visitors in the second quarter, up from 33,942 in the same quarter last year, an increase of 8%. Year to date visitor numbers of 60,073 are the highest ever visitor numbers for the six month period July to December. We continue to be rated as a top 5 tourism destination by TripAdvisor.



Over the summer season, the number of visitors from outside the region increases. International visitors are up 250% - predominately from Australia, North America and Europe. Visits from Wellingtonians are up 17% on the first quarter, and visitors from the rest of New Zealand are higher by 66%.

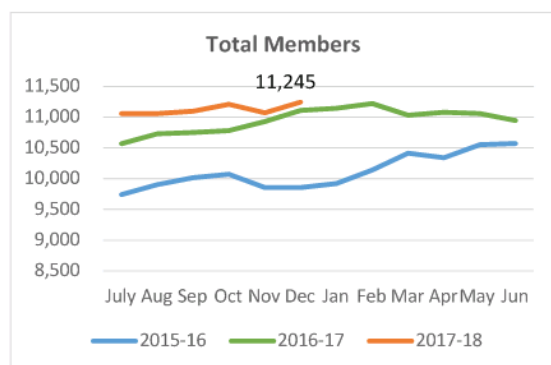
We are currently working on a valley-wide renewal of all of our interpretation. The first stage is engaging with iwi to develop integrated content for our new botanical signage. Wellington Community Trust are supporting us with funding to assist in the development of a framework to incorporate mātauranga Māori into our visitor engagement projects. This investment will have a lasting effect as it will provide the foundations for further involvement by iwi and local Māori going forward, and act as a model for incorporating te ao Māori into our overall engagement approach.

Visitor Comments – enjoyed most

"We went on the night tour. Awesome experience loved every minute of it. Then we went back the next day to see what we did not get to see on the night tour. All I can say is wow we had 2 great experiences. Keep up the good work and I am going to recommend all my New Zealand friends to visit."

"We love visiting Zealandia - it is a special bird filled experience not to be missed no matter the weather!"

"I have been a member for years and we visit often and celebrate how amazing and peaceful it is every time! It brings me joy seeing the impact that Zealandia is having both inside and outside of the fence. Just today I passed 3 tui dining on flax outside Te Papa - in the middle of the busy city!!!! I said a quiet thank you to ZEALANDIA as I watched them."



Paid Admissions by visitor origin

Region	Q1	Q2
Local	42%	26%
Rest of North Island	17%	15%
South Island	7%	7%
Australia	8%	13%
Asia Pacific	5%	5%
Europe	13%	19%
United States & Canada	6%	12%
Rest of the World	2%	3%

Tours

During the summer season we are connecting more visitors with nature through our tour experiences. We are hosting more cruise ship visitors, more international visitors are opting for our day tours over general admission and our night tours began being sold out from October 2017. Over the quarter 5,531 visited ZEALANDIA on a guided tour, up from 3,365 last year.

PARTNERSHIPS AND EVENTS

Centre for People and Nature: There is growing national and international recognition of the importance and uniqueness of ZEALANDIA's contribution to ecological and societal transformation and we have been in discussion with potential partners regarding formalising a research and learning centre based at ZEALANDIA. The Centre for People and Nature is being established to generate the new knowledge we need to inform the creation of the truly liveable, nature-rich cities of the future. It will encompass nationally and internationally leading-edge research and learning, focused on understanding and enhancing the role and value of the natural world in the places where people live. The Centre will be based at ZEALANDIA, in the heart of the globally unique 'living laboratory' we have here in Wellington. We will announce this publically at the end of January 2018.



A PLACE THAT ENGAGES
HE WĀHI HUIHUINGA

To celebrate Conservation Week, ZEALANDIA teamed up with the Department of Conservation, Wellington City Council, Victoria University and the Sustainability Trust, and offered an exciting week-long programme of events, activities and workshops. Highlights included workshops on how to make 'green' cleaning products, weed identification, backyard trapping and evening talks featuring Victoria University Ecology Masters students and Jim Lynch. Children learnt how to make their favourite t-shirts into tote bags, build wētā hotels, and how telemetry works.



Photos L-R: T-shirts to totes and Predator Free Karori traps ready to be distributed. Credits: ZEALANDIA, Predator Free Karori

We are working with Predator Free Karori to support them in establishing a resident trapping programme in Karori. In October we signed an MOU with Predator Free Karori and we have now been granted \$25,000 by The Lion Foundation to fund the purchase of a number of hooded traps to be distributed to Karori residents.

Dr Danielle Shanahan gave her talk, *Conservation from wilderness to cities: it's all about people*, on Wednesday 6 December to over 70 attendees. Dr Shanahan's talk covered conservation challenges across the globe and revealed just what is possible when people come together for a common cause, it also focused on what nature means for us as people and why it is important for our health, our wellbeing and our identity.

The German President and his wife enjoyed a guided tour and a private walk as part of their trip to New Zealand in November. Our extremely positive relationship with the Visits and Ceremonial Office continues and we work with them to develop appropriate tours for many guests of government as part of their official programme.

Following a meeting of the Chief Executives, we have held a joint workshop with the senior leadership teams of ZEALANDIA and WREDA to identify opportunities to work more closely together under our shared vision of making Wellington a great place to live, work and visit. New opportunities are now being explored and will be progressed in the following quarter.

Paul Atkins and Dr Danielle Shanahan both gave keynote addresses to national conferences during this quarter, an indication of the national (and international) reach and influence of ZEALANDIA.

MEDIA

We are gaining media exposure across the globe, in the second quarter ZEALANDIA had 18 media appearances, including international coverage from BBC Radio and The Atlantic, and national coverage from Newshub, Radio New Zealand and Fairfax.



A PLACE THAT ENGAGES
HE WĀHI HUIHUINGA

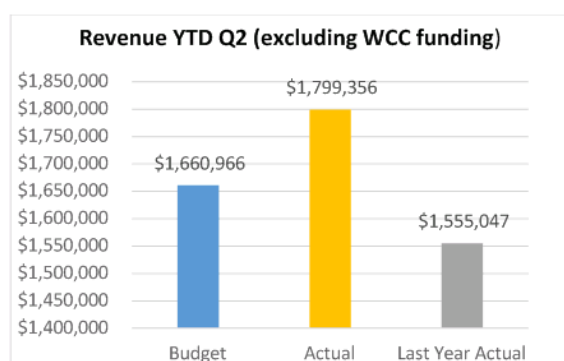
FINANCIAL SUSTAINABILITY

Revenue

Overall, revenue performance (excluding the WCC funding) is \$1,799,356 against a budget of \$1,660,966. Revenue year to-date is \$244,309 higher than last year at the end of quarter two.

The annual WCC grant is projected to be 17% of forecasted revenue for 2017/18, this compares with 20% for the 2016/17 year and 21% for the 2015/16 year.

We have been successful in a number of fundraising opportunities, a grant from EECA and support from Meridian has been confirmed for \$240,000 to purchase two new fully electric minibuses to replace our diesel shuttles. We have received funding from Nikau Foundation of \$8,000 and Wellington Community Trust of \$10,000 during the quarter, as well as the continued funding from the Ministry of Education for our Learning Experiences Outside the Classroom Social Sciences programme, for \$200,000 over three years (2017-2019).

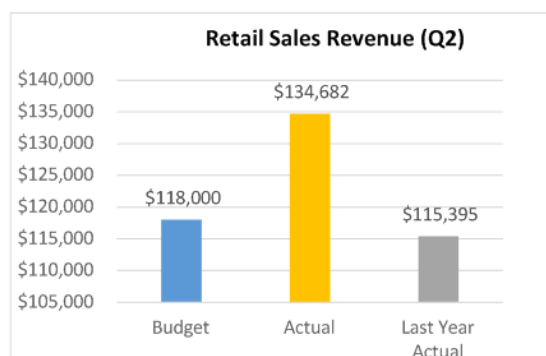


Operating Surplus (Deficit)

The quarter two year to-date result for Operating Surplus (Deficit) before Depreciation is tracking favourably by \$67,584 mainly due to higher than budgeted Tour sales of \$35,000 and Admissions revenue of \$107,000.

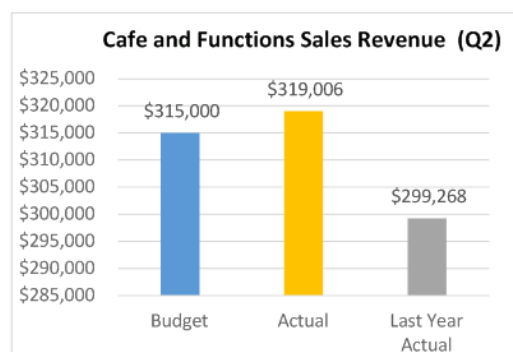
Retail

Retail sales revenue totaled \$134,682 up 17% on last year.



Café and Functions

Café and Functions sales revenue totaled \$319,006 up 7% on last year.



As a community organisation we like to support the local community, we now stock 21 suppliers from the Wellington region in the retail store.

STRATEGY & GOVERNANCE

ZEALANDIA has made significant investment in the development of a 10 year capital development plan for WCC consideration as part of the LTP process. This articulates the pressing and immediate need for accommodation to ensure we are able to provide all people who work at/with ZEALANDIA an appropriate and healthy working environment.



A PLACE THAT TREASURES
HE WĀHI TAONGA

Cricket Wellington have now agreed in principle to sell the Brierley Pavilion to the Trust with a transfer of ownership date of 30 April 2018. The ground lease for the new building has now been signed by the Trust and WCC. We plan to relocate the building to a site on Waiapu Road subject to resource and building consents being granted.

Our integrated annual report for 2016/17 has been highlighted as "state of the art" by the External Reporting Board.

AWARDS

We were the winner of the Restoring Nature category at the 2017 Sustainable Business Network Awards. We are also in the top 10 nominations for the NZ Community of the Year Award, and have been successful in being awarded a significant EECA grant to purchase two new fully electric minibuses to operate as our free shuttles around Wellington. Meridian is our corporate partner in this project. All the above is a further indication of ZEALANDIA's significant national profile, and the influence ZEALANDIA is having on Wellington city and the region.



Dr Danielle Shanahan accepting the Restoring Nature Award. Photo Credit: Sustainable Business Network

VOLUNTEERS

The Learning and Engagement team have appointed a new Lead Ranger Volunteer Development. This role will support our volunteer leaders to continue driving the major contribution made by volunteers to every facet of ZEALANDIA's operations, as well as develop new opportunities and initiatives to grow our volunteer base and engagement.



A PLACE THAT EMPOWERS
HE WĀHI WHAKAMANA

EDUCATION

Education leadership in Predator Free Wellington

Our Outreach programme continues with a focus in the early part of 2018 on delivering an education programme to schools for the Predator Free Miramar project. This exciting project will enable us to be a bigger part of the Predator Free initiative, and for us to increase our impact beyond the fence. Our role will include leading the coordination and delivery of tracking and trapping programmes for schools in the Miramar project area and Rongotai Isthmus buffer zone. This is a significant project delivering on the ground conservation results as well as reinforcing our reputation as experts in environmental education.



A PLACE FOR LEARNING
HE WĀHI MĀTAURANGA

Facilitating community engagement

A key focus of the ZEALANDIA Education programme has been empowering schools to help themselves and other schools in their community through environmental projects. During 2017 we worked with two schools in Johnsonville independently. These two schools are now working together, with Onslow College helping St Brigid's school produce conservation equipment.



Training the trainer for greater impact

We have been involved in a number of relationship-building and professional development opportunities for teachers and environmental educators. This enables us to increase our impact and reach more young people. These include hosting a WREEF (Wellington Regional Environmental Education Forum) educators professional development session at ZEALANDIA as well as attending a WREEF hui on Mātū/Somes, hosting educators from Otago Museum, Bushy Park (Whanganui), and the Wellington Region Biology Teachers' Day.

CONSERVATION

Our growing role in takahē conservation

This quarter we welcomed, Ahikaea, a 20-year old female takahē to ZEALANDIA. This brings our total takahē population to four – just over 1% of the total world population. Ahikaea has been released with T2, our elderly male takahē. While this pair are past breeding age, they provide high advocacy value to more intrepid visitors who go beyond the Top Dam and delight fence walkers who often see them on the eastern perimeter. By holding older birds at ZEALANDIA, we free up prime breeding habitat at other sites for productive pairs to continue adding to the population of this nationally vulnerable species.

Nio and Orbell, our breeding pair who arrived at the sanctuary in August have settled in extremely well. In November they were found to be nesting and a chick did hatch, however it did not survive following the harsh weather over Christmas. We are pleased though to know the birds have settled and feel at home in the sanctuary.

Sanctuary to Sea: Kia Mauriora te Kaiwharawhara

The Sanctuary to Sea project takes a unique collaborative approach to restoring the Kaiwharawhara catchment. Wellington City Council are key partners in this endeavour, and have been working closely with us to create unique experiences for iwi, improve fish habitat, and repair migration pathways for fish. This project has a 100 year vision, so these partnerships will be important for many years to come.

The third community Sanctuary to Sea meeting was held in November 2017, with 30 community members attending an evening showcasing student research on the project. These projects ranged from mapping fish distribution in the catchment to looking at options for development in the estuary area. These VUW students brought fresh thinking to challenging issues for urban development, and their presentations were extremely well received.

The project continues to gather momentum, and we are planning a series of activities to assist iwi in reconnecting with this landscape. We are taking this approach to find ways that ensure we can embed the project in te ao Māori, and develop ways to create effective partnerships in this space. One of our first activities will include an iwi open day on 18 February 2018, which will involve a tour of the catchment ending at ZEALANDIA.

Lower Lake Restoration

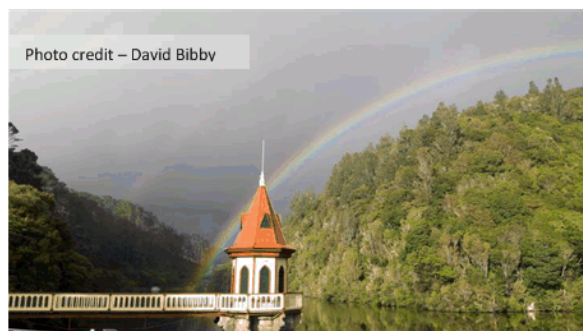


Photo credit – David Bibby

The lower lake restoration is the last remaining large-scale restoration project within the sanctuary. The lake suffers an algal bloom each year which results because of an ecosystem imbalance – there are too many perch for the lake to sustain. We are starting planning in earnest for a hopeful restoration effort in 2020. This will involve collaboration from the Department of Conservation and Riverscapes Consultants, and will be the first restoration of its kind in New Zealand.

A key part of our restoration planning which is occurring this year will involve putting our native species back into this lake. This planning is taking place in conjunction with scientists, restoration experts and iwi, and will mark a new phase in the sanctuary restoration efforts.



**A PLACE THAT TREASURES
HE WĀHI TAONGA**

SANCTUARY TO SEA
KIA MAURIORA TE KAIWHARAWHARA

RESEARCH

Our research programme is growing in scope and scale, with over 40 academics and students now engaged in research projects within the sanctuary. ZEALANDIA staff (led by Dr Danielle Shanahan) are also working closely with VUW researcher A/Prof Nicky Nelson as co-chair of one of the most important conservation conferences for



A PLACE THAT ENGAGES
HE WĀHI HUIHUIŪA



— CONSERVATION —
IN A CHANGING WORLD

2018 – the Society for Conservation Biology Oceania conference, which will be held in Wellington in July. Nearly 400 delegates are expected. This conference provides a great opportunity for ZEALANDIA to showcase its leadership in science research.

The Waikato University People, Cities and Nature project

Dr Danielle Shanahan at ZEALANDIA is working closely with Professor Bruce Clarkson and team on an MBIE funded project, People, Cities and Nature. This project is a unique collaborative effort across research organisations, and it focuses on understanding the intersection between people and nature in urban environments. This year Dr Shanahan has been working closely with Chris Woolley, a PhD student working under A/Prof Nicky Nelson (VUW), to understand how citizen science focusing on backyard lizards affects people's attitudes towards biodiversity conservation. Chris has been partly funded by the ZEALANDIA Collins Family Scholarship, and he works closely with a VUW summer scholar who is also supported by ZEALANDIA.

Swamp maire *Syzygium maire* research in the sanctuary

Research at ZEALANDIA is very diverse, and this year we are excited to be hosting Karin Van der Walt from the Wellington Botanic Gardens and Massey University who will be carrying out new research on swamp maire in the sanctuary. The arrival of Myrtle Rust in mainland New Zealand in 2017 resulted in the conservation status of *Syzygium maire* being upgraded to nationally critical, which means there is a big need for new conservation initiatives. Karin is working on this problem, researching the conservation of *S. maire* through cryopreservation (storage of embryos in liquid nitrogen).

This research extends on some previous work Karin completed, where she investigated how the species responds to cryopreservation. She will now be investigating the viability and chemical analysis of seed at various developmental stages, ranging from green fruit to overripe fruit collected from the ground. Karin will be looking at how much drying the seeds can tolerate, and if there is any storage temperature which could extend the seed life. Of course, Karin will be collecting a lot of other information, such as phenology, pollinators, dispersal agents, seedling development and survival. We are also lucky that Karin will be spending some time in the treetops at ZEALANDIA, which will give her a chance to monitor the plants for any signs of Myrtle Rust.

MEASUREMENT AGAINST TARGETS IN THE SOI 2017/18

Non-Financial Performance Measures (Quarterly Targets)

Measure	2017/18 Quarter 2 (Oct – Dec 2017)		2017/18 Annual	
	Actual	Target	Actual (YTD)	Target (YTD)
Visitation	36,524	31,295	60,073	45,209
Education Visits*	2,836	3,409	5,449	5,259

* 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	11,245	10,600
Number of Volunteers	570	>430
Volunteer Satisfaction Survey ¹	-	>80%
Percentage of Satisfied Visitors	99%	>92%

¹A 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)	Not available ²	\$18.78
Average subsidy per visit (Total WCC operating grant/all visitors)	\$6.95	\$9.07
Average revenue per visitation (excludes Council & Government grants)	\$29.40	\$26.22
Non-Council Donations/Funding	\$139,649	\$265,000
Net surplus (deficit) before depreciation and tax	\$88,146	\$318,200
Commercial revenue as a % of overall budget	72%	50%
Membership subscription revenue	\$154,833	\$306,000

²Awaiting YTD full cost (including WCC costs) figure from WCC.

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	This year the focus has instead been on taking opportunities for boosting the ZEALANDIA takahē population. The population is now at four, with three new birds arriving this year.
Number of transferred animal species being actively managed in the wild. <i>* Active management includes supplementary feeding, nestbox and roostbox management and excludes species held in captivity.</i>	10	11	Hihi, takahē, kākā, bellbird, kākārīki, 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) <i>*Includes species with ongoing active data collection.</i>	19	11	Hihi, kākā, bellbird, kākārīki, little spotted kiwi, tieke, tūi, 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	5	4	Fauna: Takahē, 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)	0.3	<10	The mouse abundance is currently low due to dry weather conditions and a control operation that 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	18	44	Weed team began in November.
Number of pest plant species where control has achieved a decline to low levels of infestation in the sanctuary	120	53	Weed team began in November.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

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 has however been scaled back given the rapid emergence of new tools and technologies, and a large scale review will be conducted in two years.
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 Surplus before Depreciation is \$88,146 and is tracking favourably by \$67,584 for the second quarter mainly due to better than expected admissions and tour sales
	Commercial revenue equating to 50% of overall budget	72% mainly due to higher than budgeted Tour sales of \$35,000 and Admissions revenue of \$107,000
	10,600 members	Tracking above target by 645 with 11,245 members as at 31 December 2017
	Membership subscriptions \$306,000	Year to date income of \$154,833 and expected to meet target by year end
	Full cost per visitor (including WCC costs) \$18.78	Not yet available for second quarter
	Average WCC subsidy per visitor \$9.07	Tracking favourably to target at \$6.95 for second quarter
	Average revenue per visit \$26.22	Tracking favourably to target at \$29.40 for second quarter
	Non-Council Donations/Funding \$265,000	Year to date income of \$139,649 and expected to meet target by year end
Creating inspiring, accessible experiences and change through example and shared passion for action		
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.	Visitor numbers – 96,500 separate visitations with breakdown of visitor demographics	Year to date visitation total of 60,073 and is on track to meet the target of 96,500 visitors.
	8,650 education visitors	The Education team has hosted 5,449 education visits for the first two quarters of 2017/2018.

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MEASURE against Strategy Areas	TARGET 2017/18	TRACKING 2017/18
Explore technological options for enhancing the visitor experience, with wi-fi as a platform.	Visitor experience – ZEALANDIA achieves a satisfied visitor rating of 92% or greater	Overall visitor experience as measured by Get Smart is on track at 99%.
	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 well above target at 570, and with a new Lead Ranger Volunteer Development being recruited, new opportunities and initiatives will be developed.
	> 80% of volunteers are satisfied with their relationship with ZEALANDIA	The volunteer survey will be conducted in March/April 2018 and reported in the annual report 2017/18.
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 have appointed our first Kaitiaki Ranger. We are organising an iwi open day to welcome mana whenua back to the 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.	New researchers across multiple disciplines engaged with the sanctuary.	On track. We have had significant engagement in our research programme, with over 40 researchers currently engaged (including researchers from Biological Sciences, Environmental Sciences, Engineering, Tourism/Business and Landscape Architecture).
We will develop collaborative projects with other sanctuaries nationally to address key conservation management issues as appropriate.	Plans for future translocations into ZEALANDIA and predator free suburbs advanced.	We are engaging with Predator Free Wellington through supervision of relevant students, and also through exploring options for reintroductions after the Miramar eradication has been completed.
We will grow and develop our core partnership with Wellington City Council to make an outstanding biophysical, community, learning and economic contribution to Wellington.		
We will cement our emerging international networks that help strengthen New Zealand's influence in the world		
Embracing Mātauranga Māori and other knowledge frameworks		

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

MEASURE against Strategy Areas	TARGET 2017/18	TRACKING 2017/18
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	On track. The new Manager Learning and Engagement, responsible for developing the strategic direction and leading the integration of te ao Māori and mātauranga Māori throughout the whole organisation, is now on board, as is a dedicated Kaitiaki ranger, and this work will progress in the new year
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.	Develop and agree plans for a long-term, integrated research programme.	On track. We have a growing number of researchers engaged with the sanctuary, through multiple different disciplines. Our research focus is on biological questions to help inform management, but also tourism, education, and volunteer motivations.
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.	Engage with other VUW faculties to broaden the interdisciplinary research focus.	On track. The researchers interacting with the sanctuary currently come from five VUW schools or departments.
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, with consideration being given to expanding its scope to a wider Learning and Engagement Strategy to ensure it is fully inclusive of lifelong and informal education, mātauranga Māori and diverse learning needs.
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.	In early 2018 ZEALANDIA will be setting up a number of schools in the Miramar and Tawa area as Predator Free Schools. This will start a significant push towards the goal of 50% of schools by 2020. We have been helping engage more schools in becoming Predator Free through workshops and follow up support rather than individual school visits. This 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 are building relationships with Victoria University's Awhina Centre to increase engagement and awareness amongst Māori and Pasifika students. We also have a number of interns who will join the ZEALANDIA team in the next few months, and have a strong focus on increasing the diversity of our internship programmes.
Equipping people with experience and skills for a nature-rich future		

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MEASURE against Strategy Areas	TARGET 2017/18	TRACKING 2017/18
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.	We continue to seek funding to support Te Reo training opportunities for volunteers, and are investigating other upskilling opportunities
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. Funding has been received to support our integration of mātauranga Māori concepts and content, and this approach will be trialed during this year's renewal of the botanical signage.
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 2017 provided a variety of programmes and activities for a range of audiences, and planning for 2018 activities, including Easter and Matariki, is underway.

FINANCIAL PERFORMANCE

Detailed financials are attached.

Profit & Loss

Karori Sanctuary Trust Inc. For the 3 months ended 31 December 2017

	Dec-17	Sep-17	YTD
Income			
Admissions	453,445	179,927	633,372
Bird Feeders Appeal	3,284	14,376	17,660
Care & Preservation Income	6,496	6,097	12,593
Conservation & Research Grants	10,000	-	10,000
Education Other Revenue	3,960	750	4,710
Gain or Loss on Sale of Fixed Assets	1,466	244	1,710
Interest Income	21,173	99	21,272
KBN (Kids by Night) Tours	370	2,200	2,570
KNW - Kids Night Walks	-	120	120
Living Wage WCC Funding	36,250	36,250	72,500
Low Decile Education Donation	6,000	6,000	12,000
Major Donors	15,000	-	15,000
Membership Subscriptions	93,929	60,904	154,833
Non-LEOTC Sleepovers & Night Tours	1,335	-	1,335
Other Grants & Donations	45,016	35,593	80,609
Other Operating Revenue	16,595	22,254	38,849
Rifleman Transfer	-	66	66
Sales of Goods	453,636	260,616	714,252
Shipping Recoveries	52	59	111
WCC Grant	208,750	208,750	417,500
ZBD - Summer Tours	57,084	21,212	78,296
Total Income	1,433,839	855,517	2,289,356
Gross Profit	1,433,839	855,517	2,289,356
Less Operating Expenses			
Additional Cruise Ship Shuttle Hireage	6,292	-	6,292
Administration & Management	113,708	130,987	244,695
Ambassadors	-	781	781
Be Accessible & Carbon Zero	1,800	-	1,800
Board Miscellaneous Expenses	450	278	728
Cafe Refresh Total	620	1,235	1,855
CEO - Discretionary Fund	113	-	113
Colt Motor Vehicle Expenses	193	69	262
Contractors & Consultants - Marketing	-	600	600
Cost of Goods Sold	199,029	117,185	316,213
Education Events	317	35	351
Guide Expenses	20	7	27
Hutt Mana Bush Explorers Programme	1,991	226	2,217
Interpretation	640	569	1,209
Marketing Equipment	163	195	358
Marketing Trade & Tourism	2,043	-	2,043
Operational Other	124	-	124

Profit & Loss

	Dec-17	Sep-17	YTD
Other Operating Expenses	61,334	37,863	99,197
Partnership Development	119	-	119
Personnel	613,316	539,177	1,152,493
Playing Cards	892	743	1,635
Police Checks for Volunteers	288	214	502
Salaries & Wages - Cafe - Casual	41,872	16,014	57,886
Salaries & Wages - CLER - Weekend Duty Ops 50%	2,878	2,614	5,492
Salaries & Wages - Education - Casual	13,106	11,175	24,281
Salaries & Wages - Guides	40,019	20,701	60,720
Salaries & Wages - Retail & Admissions - Casual	17,573	14,115	31,687
Salaries & Wages - SCaP - Weekend Duty Ops 50%	2,674	2,614	5,289
Salaries & Wages - Shuttle Drivers - Casual	1,396	1,745	3,142
Salaries & Wages - Tourism & Trade	24,687	22,227	46,914
Salaries & Wages - VE - Casual	4,513	84	4,597
Salaries & Wages - Visitor Experience	16,083	25,436	41,520
Salaries & Wages - Weed Management	9,963	-	9,963
Sanctuary to Sea Project Expenses	1,010	6,091	7,101
Seminars	18	17	36
SMT - Discretionary Expense Allowance	1,524	401	1,925
Tours Equipment	2,545	-	2,545
Trade, Tourism, Industry alliances	6,726	1,693	8,419
Transport Costs	231	923	1,154
Unlocking Curious Minds Expenses	-	568	568
Vend Unders & Overs	14	(32)	(19)
Website - site	4,620	2,397	7,017
Interest Paid			
Interest Expense	1,613	199	1,812
Total Interest Paid	1,613	199	1,812
Trustees Remuneration			
Board Expenses	22,750	22,750	45,500
Total Trustees Remuneration	22,750	22,750	45,500
Total Operating Expenses	1,219,267	981,896	2,201,162
Operating Profit	214,573	(126,379)	88,194
Non-operating Expenses			
Depreciation Expense	136,236	136,588	272,824
Total Non-operating Expenses	136,236	136,588	272,824
Net Profit	78,337	(262,967)	(184,630)

Balance Sheet

Karori Sanctuary Trust Inc. As at 31 December 2017

31 Dec 2017

Assets

Current Assets	
Accounts Receivable	125,654
Cash	1,467,016
Posboss Card Holding Account	7,858
Posboss Cash Holding Account	3,848
Posboss Other Card Holding Account	179
Prepayments	42,518
Stock on Hand	42,212
Total Current Assets	1,689,284
Fixed Assets	
Fixed Assets	2,899,790
Total Fixed Assets	2,899,790
Total Assets	4,589,074

Liabilities

Current Liabilities	
Accounts Payable	119,200
Accrued Liability	89,285
Community Trust Loan - Current	100,000
GST	71,960
Payroll Taxes	146,297
Posboss Suspense Account	(1,196)
Project / Capex Fund	95,271
Unearned income	283,543
Total Current Liabilities	904,360
Non-Current Liabilities	
Community Trust Loan	16,636
Total Non-Current Liabilities	16,636
Total Liabilities	920,996
Net Assets	3,668,078

Equity

Current Year Earnings	(184,630)
Retained Earnings	3,852,708
Total Equity	3,668,078

Statement of Cash Flows

Karori Sanctuary Trust Inc.

For the 3 months ended 31 December 2017

	OCT-DEC 2017	JUL-SEP 2017
Operating Activities		
Receipts from customers	1,264,060.12	849,290.04
Payments to suppliers and employees	(456,525.98)	(399,662.00)
Cash receipts from other operating activities	(38,086.54)	(53,110.67)
Net Cash Flows from Operating Activities	769,447.60	396,517.37
Investing Activities		
Proceeds from sale of property, plant and equipment	-	800.00
Payment for property, plant and equipment	(1,334.69)	(32,532.91)
Other cash items from investing activities	(5,692.99)	(14,353.11)
Net Cash Flows from Investing Activities	(7,027.68)	(46,086.02)
Financing Activities		
Other cash items from financing activities	(764,271.65)	(293,518.60)
Net Cash Flows from Financing Activities	(764,271.65)	(293,518.60)
Net Cash Flows	(1,851.73)	56,912.75
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	1,468,867.29	1,411,954.54
Cash and cash equivalents at end of period	1,467,015.56	1,468,867.29
Net change in cash for period	(1,851.73)	56,912.75

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 4 APRIL 2018

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WELLINGTON CABLE CAR LIMITED

30 Glover Street, Ngauranga
Wellington 6035
Phone: +64 (4) 473 2721

12 February 2018

The Committee
Council Controlled Organisations Sub-Committee
Wellington City Council
PO Box 2199
Wellington 6140

Dear Committee,

WCCL QUARTERLY REPORT (SECOND QUARTER OF 2017/18, TO 31 DECEMBER 2017) FOR THE WCC CCO COMMITTEE

1. Executive Summary

The WCCL financial results are forwarded for the second quarter ended 31 December 2017. These show a pre-tax, net surplus of \$294k for the quarter compared to a budgeted surplus of \$183k, a positive variance of \$111k. The positive variance is due to the following factors:

1. Cable Car revenue continues to track strongly and is ahead of budget by \$74k, similar to the positive variance of \$87k in the first quarter. This is pleasing given the Company had budgeted for some growth over the commencement of the cruise ship season but this has been exceeded beyond expectation;
2. The operational changes put in place in the first quarter, including those to improve cash handling, which resulted in additional costs have continued, but to a reduced extent> As a result, we believe the re-forecasted amount for the remainder of the year reflects an accurate position. Other Cable Car operational costs are tracking on budget, or slightly under budget;
3. Cable Car maintenance work costs are under budget for the quarter but are slightly over budget for the year to date noting a lot of the projects and work required was planned to be incurred earlier in the year. This includes the completion of the WCC Cable Car lane upgrade, for which the Company assumed more responsibility for some of the remedial work; and
4. A positive variance of \$38k in respect of administrative costs against those budgeted. This is due to careful and diligent cost management put in place by the Company and refining cost structures in planning for the future direction of the Company post the cessation of the overhead division of the business.

The year to date result is tracking equally as positive with a net surplus pre-tax of \$203k compared to a budgeted net surplus of 49k giving a \$153k positive variance.



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WCCL Second Quarterly Report 2017/18

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 \$3,411k (including the self-insurance fund of \$301k) noting a negative impact of \$263k in future periods from debtors/prepayments less payables and accruals.

Given the significant capital replacement costs required for the Cable Car in the coming years, which the asset management plan has highlighted a significant funding shortfall, the Company is maintaining any additional cash reserves until long-term funding is confirmed (or otherwise). However, it is the Company's current intention to manage income (via fare changes) and expenditure as well as debt fund future capital cost requirements; this will mitigate the requirement for Wellington City Council assistance noting the taut nature of the 2018 Long Term Plan. As part of this long-term planning, the Company has placed \$1m on term deposit with further tranches to be put in place prior to the end of the 2018 financial year.

2. SOI / Business Plan Targets

Financial Performance by Division – Quarter 2, 2017/18 (Excluding Tax)					
	Overhead Division	Cable Car	External Activities	Corporate	WCCL Total
Budget	(56,000)	294,000	54,000	(109,000)	183,000
Actual	(56,000)	373,000	48,000	(71,000)	294,000
Variance	0	79,000	(6,000)	38,000	111,000

Financial Performance by Division – Year to Date 2017/18 (Excluding Tax)					
	Overhead Division	Cable Car	External Activities	Corporate	WCCL Total
Budget	(113,000)	270,000	109,000	(217,000)	49,000
Actual	(112,000)	377,000	100,000	(162,000)	203,000
Variance	1,000	107,000	(9,000)	55,000	154,000

Cable Car Patronage Targets – 2017/18 Year					
	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Full Year
SOI Target	206,367	293,010	375,962	216,589	1,091,928
Actual	190,600	330,011			
Variance	(15,767)	37,001			

Cable Car Reliability Statistics – 2017/18 Year					
	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Full Year
SOI Target	>99%	>99%	>99%	>99%	>99%
Actual	99.63%	99.89%			
Result	✓	✓			

3. Cable Car

It is pleasing to note that the financial profit and loss result for the Cable Car quarter ended 31 December 2017 is ahead of budget by \$79k with the year to date result projecting a favourable variance of \$107k. This variance is due to the Cable Car fare revenue exceeding budget by \$74k, which, as in Quarter 1, shows a positive trend for the year and the operational changes and refinements put in place generating benefits.

The cruise ship season commenced during the 2nd Quarter and, as noted, this has resulted in an increase in revenue during this period and increased workload on staff.

In terms of other activities during the second quarter of the year, these include:

- Further remedial works on the ticket kiosk plus matters arising from the annual shutdown
- Further merchandising on sale 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. As noted, the Company is planning/proceeding on the basis of managing fare increases and careful expense management, combined with external debt funding to provide the required funding over this period.
- Implementation of the Company's new Drug and Alcohol Policy

4. Trolley Bus Network

The actual expenditure incurred for the quarter ended 31 December 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 physical decommissioning of the network commenced in November 2017 and as at the date of this report the project is progressing well, on budget and is ahead of schedule with approximately 1/3rd of the network having been decommissioned. The project has benefited from the good weather over the summer period and we are hoping this continues for a long period to minimise the risk of weather delays heading into the winter months.

The Company has been working with Citylink in relation to the span wires that assist their network which will be retained for a further period of time (provisionally January 2021).

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.

In relation to the ownership of the pole network, the pole network will be retained within the WCC group and will be transferred to Wellington City Council once the whole network has been decommissioned.

WCCL Second Quarterly Report 2017/18

5. External Activities and Corporate

External income relating to pole user licence charging continues to be ahead of budget given the conclusion of the agreement with a utility company in Quarter one, along with the increase in Chorus connections given the UFB rollout. This provides for a solid income base when the network is transferred to WCC.

6. Other Activities

- 2018/19 Statement of Intent – This is in progress and will be provided to WCC in accordance with the requested timelines. The period of the Statement of Intent reflects a time of significant change in the Company and its staff.
- Point of sale / financial system integration – As noted in the last quarterly report, this has now progressed and the project is scheduled to be completed and go live by the end of the 3rd quarter.

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**

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

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Wellington Cable Car Limited
Profit and Loss for the Period Ended 31 December 2017

	Actual 2017 - Qtr 2 \$000	Budget 2017 - Qtr 2 \$000	Variance 2017 - Qtr 2 \$000		Actual 2018 - YTD \$000	Budget 2018 - YTD \$000	Variance 2018 - YTD \$000		Budget 2017 / 2018 - Total \$000	Re-Forecast 2017 / 2018 - Total \$000	Variance 2017 / 2018 - Total \$000
OVERHEAD DIVISION											
Income	1,389	1,722	(333)		2,341	3,893	(1,552)		5,965	6,250	285
Contractor Operations Costs	225	225	0		852	900	38		0	920	(820)
Reactive Maintenance	2	13	11		3	25	22		50	50	0
Wellington Cable Car Operations Costs	77	269	192		312	537	225		1,075	1,440	635
Total Operating Expenses	304	506	202		1,177	1,462	285		1,125	1,410	(285)
Operating Surplus/Loss before Replacements	1,085	1,216	(131)		1,164	2,431	(1,267)		4,840	4,840	0
Decommissioning	1,085	1,210	125		1,164	2,430	1,259		4,840	0	4,840
Business Case Items	1,085	1,210	125		1,164	2,430	1,258		4,840	4,840	0
Total Replacements	1,085	1,216	131		1,164	2,431	1,267		4,840	4,840	0
Total Maintenance & Replacement Cost	1,085	1,216	131		1,164	2,431	1,267		4,840	4,840	0
Depreciation	56	56	0		112	113	1		225	225	0
Total Expenses	1,444	1,778	(334)		2,453	4,006	1,553		6,190	6,475	(285)
Overhead Overall Surplus / (Loss)	(56)	(56)	0		(112)	(113)	1		(225)	(225)	(0)
COMPANY ACTIVITIES DIVISION											
Cable Car Income	883	809	74		1,480	1,299	161		2,890	3,050	160
Cable Car Operations	250	263	(27)		581	524	(56)		1,048	1,123	(75)
Cable Car Maintenance	177	202	25		419	405	(13)		811	811	0
Depreciation - CC	41	50	9		82	100	18		200	200	0
	508	515	7		1,081	1,030	(52)		2,059	2,134	(75)
Electric Bus Income	0	0	0		1	0	1		0	0	0
Electric Bus Operations	0	0	0		0	0	0		0	0	0
Electric Bus Maintenance	2	0	(2)		4	0	(4)		0	0	0
	2	0	(2)		4	0	(4)		0	0	0
Cable Car Operating Surplus / (Loss)	373	294	79		377	270	107		630	915	85
3rd Party Services Net Contribution	(5)	0	(5)		(31)	0	(31)		0	0	0
External Pole Work Net Contribution	0	0	0		0	0	0		0	0	0
3rd Party Overhead Projects Net Contribution	0	0	0		0	0	0		0	0	0
Sundry External Income	53	54	(1)		131	109	22		217	217	0
External Activities Operating Contribution Surplus / (Loss)	48	54	(7)		100	109	(9)		217	217	0
Total Company Activities Operating Contribution Surplus / (Loss)	421	348	73		478	378	98		1,048	1,133	85
Administration Expenses	71	108	38		182	217	55		433	423	10
Revaluation of Property, Plant and Equipment									0		0
Company Activities Division Operating Surplus / (Loss)	350	240	110		315	162	153		614	709	55
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) BEFORE TAX	254	183	111		203	49	153		389	484	95
Tax Expense	81	53	28		57	17	40		116	142	(26)
Subvention Payment	0	0	0		0	0	0		0	0	0
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) AFTER TAX	213	130	83		145	32	113		273	342	69
The Total Surplus / (Loss) After Tax Consists of:											
Total Income	2,386	2,555	(169)		4,047	5,301	(1,253)		9,072	9,517	445
Total Expenditure	(2,173)	(2,454)	282		(3,902)	(5,260)	1,358		(8,798)	(8,175)	(377)
	213	130	83		145	32	113		273	342	69
	(8)	9	(1)		(6)	0	(6)		9	(1)	0

**Wellington Cable Car Limited
Statement of Financial Position
As at 31 December 2017**

	2018		2017	
	\$	\$	\$	\$
ASSETS				
Current Assets				
Bank Accounts Total	3,411,476		1,525,684	
Inventory	94,828		374,311	
WIP	8,322		211	
Accounts Receivable less Provision	342,946		943,429	
Sundry Debtors & Prepayments	184,314		192,739	
RWT Deductions	989		1,135	
Total Current Assets		4,042,876		3,037,510
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		67,880	
Computer Equipment	279,074		266,552	
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		283,572	
Accumulated Depreciation	(3,436,252)		(2,920,513)	
Total Fixed Assets		8,192,283		8,502,018
TOTAL ASSETS		12,235,158		11,539,528
LIABILITIES				
Current Liabilities				
Accounts Payable	54,954		216,297	
Accruals	735,747		592,195	
Purchases Received not yet Invoiced	107,584		105,974	
Social Fund	3,520		1,520	
Income Rec'd in Advance	10,485			
Ostendo Clearing Account				
GST TOTAL	154,193		66,425	
PAYE Suspense	38,856		30,697	
Revenue received in advance				
Prebilled charges TOTAL	262,477			
Credit Card Expenses				
Total Credit Card				
Current Portion of Term Liabilities				
Total Current Liabilities		1,367,816		1,013,109
Non Current Liabilities				
ANZ Bank Loan facility				
Provision for Income Tax	180,985		250,897	
Deferred Tax Liability	816,063		837,538	
Sundry Creditors				
Telecom Lease/Rentals				
Total Non Current Liabilities		997,049		1,088,435
Ostendo Clearing Accounts				
Total Ostendo Clearing Accounts		87		(1,965)
TOTAL LIABILITIES		2,364,951		2,099,579
NET ASSETS		9,870,208		9,439,949
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	145,364		76,002	
TOTAL SHAREHOLDER'S FUNDS		9,870,208		9,426,032

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

Wellington Cable Car Limited
Statement of Cashflows
For the Period Ended 31 December 2017

	Year Ended 30 June 2018
Cash flows from operating activities	
<u>Cash was received from:</u>	
Operating receipts	4,648
<u>Cash was disbursed to:</u>	
Payments to suppliers and employees	(3,855)
Payment of Tax	1
Subvention Payment	-
GST	48
Net cash inflow / (outflow) from operating activities	842
Cash flows from investing activities	
<u>Cash was received from:</u>	
Investments	-
Interest received	12
Sale of Fixed Assets	
<u>Cash was applied to:</u>	
Purchase of fixed assets	(5)
Net cash inflow / (outflow) from investing activities	7
Cash flows from financing activities	
<u>Cash was received from:</u>	
Term Loan	-
<u>Cash was applied to:</u>	
Payment of Dividend	7
Term Loan	-
Net cash inflow/(outflow) from financing activities	7
Net Increase/(decrease) in Cash held	856
Opening Cash Balance	2,556
Closing Cash Balance	3,411

Wellington Cable Car Limited
Cashflow Reconciliation Statement
For the Period Ended 31 December 2017

	Year Ended 30 June 2018
Net Profit/(Loss) before tax	203
Add non cash items:	
Movement in provision for impairment of doubtful debts	-
Depreciation	194
Impairment/valuation	-
(Gain)/Loss on Assets sold/disused	-
	396
Add / (deduct) movements in Working Capital:	
(Increase) / Decrease in accounts receivable & other assets	605
Increase / (Decrease) in accounts payable & other accruals	(143)
(Increase) / Decrease in inventory	(14)
Add / (deduct) investing activities:	
Net (gain) / loss on sale of assets	-
Net (receipt) / payment interest income	(4)
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	842

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 4 APRIL 2018

Experience Wellington 2017-18

Quarter 2 Visitor Numbers and Highlights Report to Council

as at 31 December 2017



Visitor Numbers

Institution	2017-18 Target	YTD Visitor Numbers (to 31 Dec 2017)	% of Annual Target	Q2 Target	Q2 Visitor Numbers Achieved	% of Q2 Target
City Gallery Wellington	143,000	92,934	65%	20,000	35,023	175%
Wellington Museum	137,000	61,186	45%	40,000	35,511	89%
Capital E	90,000	59,335	66%	28,500	21,561	76%
Cable Car Museum	237,000	117,501	50%	59,800	78,503	131%
Space Place	52,000	27,877	54%	13,500	13,742	102%
Nairn Street Cottage	2,500	1,056	42%	300	408	136%
TOTAL	661,500	359,889	54%	162,100	184,748	114%

Commentary on variation against Target

- **City Gallery Wellington:** The combination of strong venue hire, over 35 tours and public programmes including three *Tuatara Open Lates*, *Art Crime Symposium* and *Lit Crawl*, and exhibition attendance (daily average of 592) contributed to exceeding the Q2 target.
- **Wellington Museum:** Renaissance Tour Company have changed their shuttle service so the first drop off point is now Wakefield St (outside Te Papa) rather than Brandon Street near Wellington Museum, so by the time the visitors have been to Te Papa, Cuba Street and the Cable Car they have had their Wellington experience and are not coming to Wellington Museum.
- **Capital E:** A number of factors affected our Q2 results, namely the cancellation of our Halloween event (which typically attracts more than 4,000 visitors) but also reduced numbers in our Play Space during October school holidays (this year there was a more immersive installation which provided richer experiences with longer dwell times but overall there were fewer visitors). December also saw lower than normal numbers in our Play Space due to the good weather Wellington experienced in the lead up to Christmas.
- **Cable Car Museum:** The October School Holidays, the start of the Cruise Ship Season, and the warm and dry weather have contributed to the Cable Car Museum exceeding its Q2 visitation target.
- **Space Place:** Tracking well against target and better than for the same period last year.
- **Nairn Street Cottage:** The Nairn Street Preservation Society workshops have been selling out which has contributed to the Nairn Street Cottage exceeding its Q2 visitation target. The Cottage will begin its Summer Hours (open every day) from 1 January 2018.

Highlights

- On 19 November 2017 City Gallery Wellington closed to the public for the alterations to the entrance and foyer. Recladding of the East Stair tower and replacement of the boiler on the roof will start in early 2018.
- City Gallery Wellington Foundation will donate the funds to purchase six screens for electronic signage in the foyer and the Deane Endowment Trust committed \$10,000 towards the *This Is New Zealand* exhibition catalogue.
- Retail sales through the revamped Gallery Shop have been strong during the second quarter. Changes include opening the door to the courtyard, external signage and a greater range of niche and quality general stock.
- The first leg of the tour of City Gallery Wellington's exhibition *John Stezaker: Lost World* opened at Govett Brewster Art Gallery, New Plymouth (9 December 2017 – 4 March 2018). Chief Curator Robert Leonard attended the opening and gave a talk on the show.
- Wellington Museum ran a very successful *Museum Store Sunday* – part of the International Museum Store Sunday.
- *Cable Car Hoopla* the celebration of the 115th Anniversary of the Cable Car, in association with the Cable Car Company, was an evening of music and celebration. This was well attended and appealed to a younger audience.
- An exhibition put on by the Indian Community in the Flux space at Wellington Museum was well attended by the Indian community.
- The donation of a Doreen Blumhardt ceramic has been added to the Collections.
- The national tour of Capital E's junior theatre work *Songs of the Sea* entertaining over 15,000 children, their teachers and caregivers all over New Zealand has been completed.
- The Capital E *Roxy5 Short Film Competition* wrapped for another year and culminated in the *Before & After* event at the Roxy cinema for the winners Otaki College and Wellington High School and confirmation of the continued support from Ministry for Youth Development.

- The Capital E welcomed 3,432 school students, their teachers and caregivers to MediaLab and OnTV in Term 4. This audience came from across New Zealand, confirming school's restored confidence in Wellington as a visit destination following the November 2016 earthquakes.
- The Hannah Playhouse team reported that several bookings have been lost to the new theatre space in Whitirea WELTEC's Te Auaha campus.

Pat Stuart
Chief Executive

Key Result Indicators 2017-18

Update on Progress against Targets, as at 31 December 2017 (Q2)



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	35,023	35,000		43,000	
Wellington Museum	137,000		30,000	25,675	40,000	35,511	42,000		25,000	
Capital E	90,000		27,500	37,774	28,500	21,561	8,000		26,000	
Cable Car Museum	237,000		55,200	38,998	59,800	78,503	79,000		43,000	
Space Place	52,000		11,500	14,135	13,500	13,742	13,500		13,500	
Nairn Street Cottage	2,500		400	648	300	408	1,500		300	
Experience Wellington Total	661,500		169,600	175,141	162,100	184,748	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 31 December 2017 (Q2)



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	16,760		
Museums Wellington	84,000		24,574	25,590		
Capital E	64,000		9,850	8,152		
Experience Wellington Total	260,000		61,877	50,502		

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	33,539		
Museums Wellington	14,500		8,727	8,725		
Capital E	5,000		5,934	6,248		
Space Place	16,000		8,937	8,960		
Experience Wellington Total	58,500		56,710	57,472		

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%	67%		
Wellington Museum	25%		14%	20%		
Capital E	50%		70%	73%		
Cable Car Museum	25%		13%	14%		
Space Place	24%		17%	10%		

Capital E's Repeat Visitation figures include the Hannah Playhouse.

Key Result Indicators 2017-18*Update on Progress against Targets, as at 31 December 2017 (Q2)*

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%	90%		
Wellington Museum	90%		91%	96%		
Capital E	90%		95%	95%		
Cable Car Museum	90%		86%	82%		
Space Place	90%		88%	74%		
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 or Q2..

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	472		
Wellington Museum	7,000		2,097	2,897		
Capital E	20,500		2,827	25,370		
Space Place	8,250		2,945	1,799		
Experience Wellington Total	40,250		8,836	29,539		

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 31 December 2017 (Q2)



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	161		
Museums Wellington	666		201	290		
Capital E (inc. Hannah)	1,279		321	365		
Space Place	600		144	159		
Sub Total	3,152		834	975		
Sub-letting, Interest & Other	364		39	8		
Experience Wellington Total	3,516		849	983		

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	2.14		
Museums Wellington	1.41		2.37	2.47		
Capital E	3.84		3.14	4.68		
Space Place	10.12		8.50	9.93		
Experience Wellington Total			2.56	3.22		

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 31 December 2017 (Q2)



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	14.39		
Museums Wellington	5.18		7.44	3.91		
Capital E	14.53		7.29	10.46		
Space Place	9.89		6.30	6.48		
Experience Wellington Total	10.85		9.98	9.88		

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 31 December 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	629,374	386,044	1,018,117	875,067
WCC Operating Grant	1,658,521	1,658,301	3,317,042	3,316,602
Grants - Living Wage	76,858	-	76,858	-
WCC Rental Subsidy	442,245	442,332	884,490	884,664
Sponsorship and Donations	20,866	84,850	26,393	129,250
Grants Other	173,375	236,751	416,401	519,054
Investment Income	9,932	12,000	14,411	33,000
Other Income	66,164	47,898	115,003	196,521
Intergroup Fees	51,086	-	88,887	-
Total Revenue	3,128,421	2,868,176	5,957,603	5,954,158
Cost of Sales				
Cost of Sales	176,334	134,769	296,698	270,361
Total Cost of Sales	176,334	134,769	296,698	270,361
Net Revenue	2,952,087	2,733,407	5,660,905	5,683,797
Operating Expenses				
Employee Costs	1,373,270	1,298,357	2,708,410	2,605,435
Council Rent	334,621	334,707	669,242	669,414
Exhibitions & Programmes	330,688	352,503	841,342	1,182,637
Marketing & Promotions	82,876	109,556	182,130	268,174
Occupancy Costs	255,571	260,782	556,718	543,984
Communication Costs	38,002	28,214	74,026	56,478
Trustee Fees and Expenses	20,105	21,000	40,544	42,000
Technology Costs	71,112	49,847	131,860	98,636
Professional Fees	20,288	27,725	26,663	83,350
Administration Fees	54,657	54,730	102,778	99,025
Depreciation	124,117	99,702	261,569	199,400
Total Operating Expenses	2,705,307	2,637,123	5,595,283	5,848,533
Net Surplus/(Deficit)	246,780	96,284	65,622	(164,736)

SOI Statement of Financial Performance Space Place

Experience Wellington
For the 3 months ended 31 December 2017

Institution is 26 Space Place.

	ACTUAL	BUDGET	YTD ACTUAL	YTD BUDGET
Trading Income				
Trading Income	137,487	135,450	259,042	270,900
WCC Operating Grant	89,072	88,485	178,145	176,970
Sponsorship and Donations	3,406	249	3,486	498
Grants Other	18,104	25,499	54,737	50,998
Other Income	-	-	(14,266)	-
Total Revenue	248,070	249,683	481,143	499,366
Cost of Sales				
Cost of Sales	10,265	11,380	23,039	22,756
Total Cost of Sales	10,265	11,380	23,039	22,756
Net Revenue	237,805	238,303	458,104	476,610
Operating Expenses				
Employee Costs	212,962	175,267	409,458	350,534
Exhibitions & Programmes	16,577	23,853	31,106	47,954
Marketing & Promotions	22,247	23,131	41,327	46,260
Occupancy Costs	16,492	18,137	29,508	36,274
Communication Costs	148	2,530	2,672	5,060
Technology Costs	2,021	1,350	2,021	2,700
Professional Fees	14,483	18,750	14,500	37,500
Administration Fees	3,420	4,471	7,326	9,942
Depreciation	2,086	2,751	6,120	5,502
Total Operating Expenses	290,437	270,240	544,038	541,726
Net Surplus/(Deficit)	(52,632)	(31,937)	(85,934)	(65,116)

Statement of Financial Position

Experience Wellington
As at 31 December 2017

	31 DEC 2017	30 SEP 2017
Assets		
Fixed Assets		
Property, plant and equipment	2,022,014	1,989,249
Collections and Artefacts	2,338,816	2,338,816
Intangible assets	12,753	14,324
Total Fixed Assets	4,373,583	4,342,390
Current Assets		
Inventory	141,018	141,018
Trade and other receivables	646,556	604,253
Cash and Cash equivalents	980,826	3,117,078
Total Current Assets	1,768,401	3,862,349
Total Assets	6,141,983	8,204,738
Liabilities		
Current Liabilities		
Trade and other payables	1,378,814	3,635,570
Employee benefits	269,437	269,585
Total Current Liabilities	1,648,251	3,905,154
Total Liabilities	1,648,251	3,905,154
Net Assets	4,493,732	4,299,584
Equity		
Reserves	2,601,388	2,601,388
Retained earnings	1,892,344	1,698,196
Total Equity	4,493,732	4,299,584

Statement of Cash Flows

Experience Wellington

For the 3 months ended 31 December 2017

	OCT-DEC 2017	YTD
Operating Activities		
Cash was provided from:		
Receipts from customers	1,567,124	2,609,056
Receipts from related parties	392,887	4,858,465
Total Cash was provided from:	1,960,011	7,467,521
Cash was applied to:		
Payments to suppliers and employees	(3,280,496)	(6,127,567)
Payments to related parties	(588,417)	(649,430)
Net GST received/(paid)	(83,001)	(379,542)
Total Cash was applied to:	(3,951,913)	(7,156,538)
Net Cash Flows from Operating Activities	(1,991,902)	310,982
Investing Activities		
Interest received	9,932	20,611
Payment for property, plant and equipment	(154,281)	(231,352)
Other cash items from investing activities	-	600
Net Cash Flows from Investing Activities	(144,349)	(210,141)
Net Cash Flows	(2,136,251)	100,842
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	3,117,078	879,985
Cash and cash equivalents at end of period	980,826	980,826
Net change in cash for period	(2,136,251)	100,842



Half-Year Report

2017/18

July-December 2017

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Executive Summary

The Second Quarter

The second quarter of the 2017/18 year has been one where a significant number of projects have been delivered upon across the portfolio of activities that WREDA undertakes.

The catalyst for the delivery of these projects and WREDA's future focus has been the redefining of our work both internally and externally under the banner of the 'BIG 6'. The refreshed focus has had a positive impact for those that work in WREDA and also on the way in which our people engage with partners across the Wellington Region.

The 'Big 6' have also been a key driver in this period of getting our teams to work across the organisation.

The Big 6 is not everything we do and nor does it describe the approach we take to all our activities. Elements such as working with iwi to deliver on the promises of the Maori economy and growing the visitor economy are important and our interaction with these elements cut across all WREDA's activities.

In Supercharging Wellington's Events two events in the quarter stand out. The Asia Pacific Amateur Golf Championship hosted at Royal Wellington put the eyes of the world on Wellington. The FIFA inter-continental play-off match between the All Whites and Peru brought visitors from all over the country, media from around the world and Peruvians that brought colour, noise and festival atmosphere to the city.

A key role for WREDA is to make Wellington famous. Pumping New Zealand's creative heart is all about telling our story through making sure that people who experience our region have the very best time here and that the stories they tell and that we tell the world are genuine and inspiring to bring more people here to visit, live and study. In Vietnam we ran a campaign telling prospective students just that story. In Australia with tourism New Zealand we launched a new campaign 'Discover Wellington, New Zealand's creative Heart'. In the venues we manage over 162,000 locals have enjoyed dipping their toes or immersing themselves in performance experiences ranging from Lorde to Alt J, and from Brian Cox to Cirkopolis.

Accelerating the Big Projects has in this quarter involved the WREDA team examining the case for a new Indoor Entertainment Arena and form new partnerships that will enable the leveraging of investment into new tourism product such as a Movie Museum and an improved trails experience across the region for trampers and bikers.

Our team engage with many business sectors but it is in the Tech sector that we learn about how many exciting things are happening beneath the bonnet in Wellington telling those stories to the world is part of Talking Up Tech. Year to date WREDA's media team has raised the profile of Wellington Tech businesses through getting of their stories told in Australian and New Zealand news media channels. At the same time the Creative HQ team have completed the delivery of three Accelerator programmes, ensuring there will be new stories to tell in the future.

Students provide vibrancy and richness to Wellington's intellectual capital. Wellington's share of international student visa's issued for New Zealand has continued to grow supported by our teams activities hosting agents and student groups from across Asia-Pacific as we knuckle down to Sell Student City.

WREDA looks to support business growth across Wellington's key business sectors. In November our Screen Wellington team were a co-host of the influential Screen Production Association conference. We're supporting ProjectR in Wellington's drive to become a key global node in the growth of Augmented Reality

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and Virtual reality technology. Our Business Partner team facilitated nearly \$900k of funding to help businesses across the region Ramp Up Business Growth.

Building on these focus areas will be the key to WREDA's success for the Wellington region in 2018.

Looking Ahead to 2018

As WREDA moves into 2018 there are plenty of exciting developments the various parts of the organisation have underway and partnerships we have established which will come to fruition in the first quarter of the calendar year.

High summer in Wellington sees a line-up of events that WREDA works with every day of the year. The highlights of this series are the NZ Festival, Cuba Dupa and Homegrown. Each of these brings its own style, energy and vibrancy to Wellington.

Many of these events use the venues we operate under the Venues Wellington banner. Venues Wellington will also host a series of pop and rock music events – Jimmy Carr and Macklemore look to be the standouts in the early part of the year.

Summer also brings the largest number of international tourists to Wellington. WREDA is looking forward to establishing a new partnership with key tourism businesses in the region that will enable a much more proactive approach to attracting visitors from Asia and China in particular.

The confirmation of the Wellington Regional Trails Framework, sees WREDA now filling the role that will work with all the regions Councils to implement the framework.

Whilst programmes of activity in the Business, Growth and Innovation unit continue, a number of new business attraction leads are being pursued that WREDA will look to bring to fruition in the new year. This team is also examining its role alongside that of our subsidiary Creative HQ to ensure that the provision of services to the start-up community and the delivery of growth and acceleration programmes is better linked in the future.

Derek Fry, Interim Chief Executive

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Destination and Marketing

Marketing campaigns

Summer Campaign - Your Alternative Summer

WREDA delivered a NZ wide marketing campaign promoting visiting Wellington over the summer. This commenced in November and is in market until late February. The campaign is titled *Wellington, Discover Your Alternative Summer* and promotes Wellington as a great alternative summer destination to domestic visitors.

The campaign has two hero videos; one features a late 20's couple, the other parents with a 10 year old son. They experience their alternative summer weekends showcasing all the great things to see and do in Wellington this summer for those target audiences. Other content created includes alternative itinerary options that visitors might not know about the city and summer articles visitors can get inspiration for their summer visit to the capital.

Te Papa – Let's go Build

WREDA is supporting Te Papa's blockbuster summer exhibition, *Let's Go Build: A festival for LEGO lovers*, with marketing support targeted to domestic audiences in a 1-5 hour drive range and top of the South Island. Our support includes online video, cinema and digital content, as well as promotion through the WellingtonNZ.com website and our various email streams.

Australia Marketing

At the beginning of the quarter WREDA's spring campaign in Australia "Discover Wellington, NZ's creative heart" ran to early November. This was an online video-led campaign, raising awareness of Wellington as a creative, edgy and vibrant short break destination. At the same time WREDA worked with the travel website Expedia to convert Australians to book Wellington hotels and activities. Further to this WREDA worked with Air New Zealand to time activity with times the airline had was actively promoting Wellington to Australian consumers.

1.2m Australians watched the video segments, as a result WREDA's social audience in Australia has increased by 3.0%. The campaign delivered 19,052 visits to WellingtonNZ.com.

Air New Zealand's 6-day Wellington sale saw an increase of 92% in bookings compared to average weekly passenger bookings volumes for Wellington routes from Australia. Expedia enjoyed more than 5.5 million impressions from users looking at Wellington options and saw a 12% increase in passenger numbers YOY. During the post-campaign period, passengers, room nights and air tickets were up +49%, +44% and +35% respectively.

Mini Campaigns

The destination and marketing team has planned for and gathered the creative material suitable for the delivery of four mini campaigns in early 2018. These will feature a day amongst the vines in Martinborough, an adventure around Eastbourne including Days Bay and Pencarrow, a visit inspired around Wellington's culture/creativity offerings including Te Papa, and an exploration of the Kāpiti Coast.

International Student Attraction

WREDA ran an online video campaign to help make Vietnamese students consider Wellington a place to study, targeting 16-25 year olds. Made in the playful style of a V-pop music video, a hero video starred

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three Vietnamese students already studying in Wellington, showing them exploring Wellington's colourful streets and waterfront.

The campaign proved popular, with more than 1.5 million views on Facebook. Over 14,000 visits to WellingtonNZ.com were generated.

Media programmes

During Quarter two WREDA has hosted many international media. The highlights of this activity include the launch of Tourism New Zealand's campaign with National Geographic and Bryce Dallas Howard, the publication of Wellington features and stories in ELLE Magazine US, CREA Web Japan, Buro 24/7 Singapore, and significant mentions in Hollywood Reporter and Vogue US.

Similarly Australian media that WREDA hosted have led to Wellington inclusion and features in The Weekend Australia, Delicious.com.au, Gold Coast Bulletin, Good Food magazine and the Canberra Times.

Keeping Wellington profile high in the New Zealand market has focussed on story telling the reason to visit Wellington in summer; this initiative has led to features in Air New Zealand's Kia Ora magazine, the NZ Herald, the Sunday Star Times, Women's Day magazine and on television with Breakfast and Newshub Late.

Altogether WREDA's media activity has resulted in 228 stories in Australasian media

Digital Marketing

WellingtonNZ.com

WellingtonNZ.com received 774,516 visits in Quarter 2, with 464,820 unique users. Through the period, more than 2.4 million pages were viewed, with top content including the advent calendar page and sights & activities as people planning to visit Wellington over the summer make their plans. The largest volume of visitors came from NZ, Australia, USA, India, UK and Singapore. The largest volume of visitors by city were: Auckland, Christchurch, Sydney, Wellington, Lower Hutt, and Melbourne.

Kāpiti sub-site

WREDA has been working with The Kāpiti Coast District Council (KCDC) to create a stand-alone website utilising WellingtonNZ.com's SilverStripe content management system. The site is being fine-tuned and is scheduled to be rolled out in the early part of 2018. WREDA is working to train colleagues at KCDC to ensure this new tool will boost tourism, business attraction, student attraction and investment.

Social channels

WellingtonNZ.com social media followers grew by 9% during the six month period. This following can be attributed in part to high performing Facebook posts during the 2017 season of WOW, the Wellington Advent Calendar promo, and the rapid growth in our Instagram following (which grew by 14%). During the Q1-Q2 period, our social channels reached more than 19 million users. The top posts during the period were announcement of the Lego exhibition (217,886 people reached) and around the World of Wearable Arts activation (506,142 people reached)

Wellington Advent Calendar

The Wellington Advent Calendar has just completed its eighth year. As in previous years a mix of retail (8), hospitality (13), and event organisations (3) were involved in this large-scale digital campaign.

The objective is twofold:

- revenue in the CBD during the typically quiet Christmas period (Dec/Jan)

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- Add to Wellington's vibrancy and sense of excitement in the lead up to Christmas

The 2017/2018 campaign merged online and offline designs. Five talented Wellington artists were commissioned to produce shipping-container sized street art murals. These were then digitised to produce a 'virtual laneway' that users can 'scroll' through to find their 24 advent deals. Each artist injected their own style in their individual interpretations of five areas of the Wellington CBD: Lambton, Cuba, Laneways, Waterfront, and Courtenay Place.

Close to 87k vouchers were downloaded as part of this year's campaign. The top five deals were contributed by: The Old Quarter, Sweet Bakery, Chow, The Little Waffle Shop, and Wellington Zoo. Vouchers redeemable throughout January and results will be reported back to WREDA in February.

International Travel Trade marketing

The first half of the year has been a busy one for connecting with global travel sellers.

In the second quarter WREDA trained more than 1992 international travel agents, double that of the same period in 2017. Appointments and training activity has focussed on key feeder markets (Europe and Asia) for the Singapore Airlines long haul service.

WREDA represented the regional marketing alliance at KiwiLink China, now the biggest event on Tourism New Zealand's event calendar. Te Papa, Weta Studio Tours and KiwiRail also attended, supporting TNZs 'Heart of the Long White Cloud' consumer campaign promoting new itineraries to Chinese consumers. Discussions with key partners on a programme to accelerate Chinese independent travel to Wellington are underway and the return of the Coastal Pacific rail service presents new itinerary options in 2018.

Tourism is currently New Zealand's number one export earner with media about the growing number of visitors and cruise visibility attracting many start-up enquiries. WREDA hosted and delivered an operator workshop at the Leonard Cockayne Centre attended by 22 start-up or new tourism businesses.

Q2 In-market training & sales calls	Total agents trained
UK & Europe TNZ frontline training – events in 6 cities	377
South East Asia Kiwilink South East Asia	305
South East Asia Frontline Training - events in Indonesia, Philippines & KL	414
China KiwiLink China	90
China Frontline Training	403
Europe Wellington & Wairarapa webinar	145
Auckland Sales and training calls with key Inbound Operators	113
Q2 Trade Familiarisation visits hosted in Wellingtons	
Total trade hosted	145
Total familiarisations hosted	23

Wellington i-SITE visitor centre

The second quarter has been a busy one for the Wellington i-SITE reflecting the high volume of international visitors in Wellington both those arriving on cruise ships and those travelling from other parts

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of New Zealand. Visitor revenue in this period is a little down compared to last year reflective of the changes in circumstances that happened following November 2016's earthquake. Planning to change the i-SITE delivery at the front of the Michael Fowler centre continue and fit-out changes will be actioned once the busy summer season is finished.

Reflecting WREDA's wider interest the i-SITE has become a key ticketing agent in the city. Ticketing services are delivered for TicketMaster and Ticketek; soon Ticket Direct services will be available too – in time for the Hurricanes Super Rugby season.

Destination development

WREDA has continued to work with Wellington City Council and other partners on various streams of work to further the planning of the Town Hall / Music Hub project, advising on the design of a range of features and operational considerations

WREDA has continued to work with Wellington City Council in regards to the development of a Movie Museum / Convention Centre in the city.

WREDA has provided advice and insight to a number of proposals for increased hotel accommodation across the Wellington region.

WREDA has worked with the Wellington City and Regional Councils to consider the development of an indoor arena in the region.

In Q3 WREDA will employ a specialist to activate the Wellington Regional Trails framework.

WREDA Commissioned Boffa Miskell to conduct a review of growth plans for each territorial authority in the region and test the alignment with current and forecast transport infrastructure investment. Out of this work and ongoing conversation is occurring with the Council's collectively.

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Venues Wellington

Events and Sales activity

The business performance of Venues Wellington has continued on strongly from the good start established in the first quarter.

In this quarter the venues WREDA manages hosted over 70 business events and conferences that together enjoyed 87,000 delegates. This business has been reflected in revenue growth and looking ahead growth in future bookings demonstrates the work of the sales team in conjunction with colleagues in other parts of WREDA.

117,387 patrons attended 77 different performance events during the quarter, 29% of these people were from outside the Wellington region. Also in this quarter the Michael Fowler Centre has been the venue for around 6000 student graduations from Victoria University.

The Sales team target conferences that reflect Wellington's business sector strengths working in the IT sector has brought about hosting Trade Me's Annual "Unconference". In Quarter 3 we will again host the successful Webstock event.

In the Health Sector our sales team has succeeded in securing the 'Involve 2018' event for Wellington. This is a 600+ conference supporting their four collaborating partners in August 2018 with content delivered by a variety of agencies focussed around Mental Health & Youth. Venues Wellington provided a collaborative proposition with other WREDA venue partners to secure this important conference.

A focus on strong client relations remains with the sales team securing an increase in event enquiries for the government sector of 32% compared to the same period last year.

The beginning of October saw a change in the delivery of catering services across the Venues WREDA manages. Our new catering partners have received some excellent accolades on their hospitality offer in Q2 with Sarah Searancke our preferred partner getting especially good feedback. The new caterers have all made contracted commitments to focus on and highlight their use of Wellington region produced food and beverage.

Working in a collaborative fashion is delivering positive feedback from many important customers:

Z Energy Dinner 600pax - 15/12/17

I just wanted to say a big thank you for all your help with the Christmas Party. Was amazing!! So, thank you so much! 😊 **Katie Davis Z Energy**

Augusta Tournament Evening 350pax - 28/10/17

On behalf of the Augusta National Management Team, I wish to extend our sincere thanks at making our Gala Function such a successful event. Your team was an outstanding part of the night and we have had nothing but amazing feedback from all those who attended - so well done to you all.

Thank you for allowing me the opportunity to have a food tasting, we know that creates a lot of work for you and we are grateful for your extra-mile efforts to ensure we knew what quality our guests were getting.

Libby Carson Events Management

Wellington Free Ambulance Dinner 500pax - 25/11/17

I just wanted to say a huge thank you to you and your team for the event on Saturday. As you know, it was a great success and it wouldn't have been possible without you and the team.

Thank you also for your flexibility with the timing issue around dinner!

Mikayla Whetton Wellington Free Ambulance

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The second quarter has seen a very strong line up of performance events – as a result delivering big audience numbers.

Highlights included a number of international acts, including sold out Lorde, Brian Cox, Angus & Julia Stone and alt J. WREDA presented Cirkopolis, at the St James Theatre in December, with over 3000 people attending the 4 shows.

The forward calendar is also strong with NZ Festival, Stomp, Imagine Dragons, and The Muppets. With the St James closing for earthquake strengthening in April the pressure on the Opera House and Michael Fowler centre will be considerable.

Venues Operations

The Venues Wellington Operations team have been working with Wellington City Council colleagues to identify opportunities to effect changes in building maintenance and improvement schedules such that the sales team can increase the utilisation of the venues; this work is considering activities over the next five years.

In this quarter 1800 new flat floor seats have been purchased these have received very positive responses from regular customers; they are a little wider than what they replace – chairs that were over 20 years old.

Client Health & Safety remains a strong focus, in this quarter new publications and easy to use guides have been developed to assist our clients manage their events and suppliers using the venues WREDA manages.

The operations team have been completing in depth feasibility studies on a range of new technology for the venues. WREDA aims to use technology in the Venues it manages to show case Wellington as technology city and improve customer experience .

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PARTNERSHIPS AND EVENTS

Business Events Wellington

In the second quarter the Business Events Wellington (BEW) team were successful in winning 13 bids for Wellington to host international and national conferences. These events will inject a projected economic value of \$6.1 million into the Wellington economy.

Amongst the bids won by the BEW team was the, the Bunnings Conference and Trade Expo 2018 (500 delegates – estimated Economic Impact \$1,002,950), the Australian Human Genetics 2019 (400 delegates – est. EI \$803,600) and the NZ Principles Federation 2018 conference (700 delegates – est. EI \$1,080,100)

Major Events

Investment into the Major Events portfolio showed strong returns in the second quarter, with over 110,000 people attending events in the portfolio. Events in the second quarter included

World of WearableArt Awards Show

The quarter started with the final weeks of 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.

Asia Pacific Amateur Golf Championships

Royal Wellington Golf Club hosted the prestigious Asia Pacific Amateur Golf Championships in late October. The event is owned and managed by Augusta National and the Royal & Ancient golf clubs; it provides the pinnacle and more prestigious event for amateur golf in the Asia Pacific region. A full economic impact report has been commissioned and results are expected back in Q3.

FIFA Intercontinental Qualifier

The All Whites vs Peru match at Westpac Stadium hosted in excess of 35,000 supporters, with 34% being visitors from outside of the region. The atmosphere flowed on into the city and brought in an estimated \$8million to the Wellington economy

Rugby League World Cup

Westpac Stadium hosted the Rugby League World Cup quarter final between New Zealand and Fiji in front of an audience of 11,500.

International Basketball

New Zealand began the qualification process for the World Basketball Championships at the TSB Arena where the Tall Blacks played South Korea in November. The match attracted over 2,700 fans with 31% from outside the region.

NZ Special Olympics

The NZ Special Olympics were hosted by the Wellington region in December. 95% of the competitors were from outside the region thus bringing in over 3,000 athletes, supporters and officials to Wellington for a week of competitions.

International Cricket

The Black Caps hosted the West Indies in a Test match in front of 8,300 fans over four days to round out the year. Q3 will see another four international limited overs matches played in Wellington, with both Pakistan and England touring.

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Partnerships

NZ China Mayoral Forum – Business Forum

In association with Wellington City Council WREDA managed a Business Forum as part of the NZ China Mayoral Forum. The focus was on opportunities for Chinese and New Zealand businesses to connect and discuss opportunities for trade, investment, knowledge sharing, innovation, and developing mutually beneficial partnerships.

The business forum programme was themed *Smart Business for Smart Cities*. Sir Richard Taylor from the WETA group and Manda Maggie Zhou, Managing Director of Alibaba (Australia and New Zealand) were the key note speakers, with the other highlight being a number of mini events run in conjunction with Alibaba, providing Wellington and New Zealand businesses to gain a better understand and a direct introduction of the Ali Baba e-commerce platforms.

Māori Economy

Te Matatini

WREDA have worked closely with Te Matatini (Te Matatini is a significant cultural festival and the pinnacle event for Māori performing arts), Wellington City Council and Westpac Stadium to confirm that Te Matatini will be hosted in Westpac Stadium in February 2019. WREDA will work with mana whenua partners, Māori business, central government agencies and local government to ensure that the opportunities provided by hosting Te Matatini are leveraged to benefit Wellington's Māori economy.

Ara Tahi – Māori Development Strategy

In association with Greater Wellington Regional Council an initial meeting has been held with the Ara Tahi leadership forum, to discuss the potential of working in partnership on the development of a Māori Development Strategy for the region. It was agreed that as a first step an audit of the Māori sector and economy in Wellington would be completed before agreeing on next steps.

Te Awe

WREDA have held initial meetings with the Wellington Maori Business Network - *Te Awe* – to look at opportunities to work in partnership on programmes that benefit the Māori business sector in Wellington.

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Business Growth and Innovation

Regional Business Partner Programme

The Regional Business Partner programme (RBP) is a continuum of business growth services, from light-touch general support to hands-on business capability development and in-depth innovation support. We manage c. 800 businesses per annum across the spectrum. Based on their potential for growth and their willingness to engage, businesses may be supported through multiple stages of growth over several years.

All engagements involve a business assessment and problem discovery exercise, one-on-one with the business. Depending on the current stage and aspirations of the business, the focus can go from helping the customer prioritise a single problem, to agreeing on an action plan for growth, or identifying opportunities for technology innovation. The support delivered ranges from general resources, to engagement with a mentor, connection to professional business services providers, technical services providers, and capability-development and innovation-skills programmes. Where appropriate, we help businesses access NZTE and Callaghan Innovation funding grants.

In the second quarter of the year, WREDA's Business Growth Team supported 144 regional businesses. This includes 74 businesses receiving hands-on support, in the form of growth capability development, innovation support, and mentorship. 37% of these businesses are located outside of Wellington City.

Businesses receiving capability and innovation support show a very high average likelihood to recommend our services of 89%. This is a strong indicator of the value they see in our services.

In Q2, we delivered \$114,000 of Capability Voucher funding and \$755,000 of R&D funding to businesses in the region. This funding helps businesses access growth advice, and invest in new technology development.

A recent example of an intervention is a regional company that first engaged through a Business Clinic run in partnership with the local Chamber of Commerce in 2016. This decades-old family business had recently created a new GM role. The business had identified growth opportunities outside of the region, but was faced with the challenges of scaling, managing resources and staff.

We supported the new GM by assessing the business capability, gaps, and opportunities. We then connected the GM with an experienced business advisor with strengths in governance and scaling. Together, they developed a clear direction for growing the business, put solid, scalable processes in place, and built the confidence to tackle new opportunities. This resulted in the company capturing new seven-figure sales, with the potential to further grow their revenue to double what it was when our intervention was first initiated. During these two years, the business grew their staff numbers by a third, and is likely to create several new positions still.

Business Growth

We ran or participated in several one-to-many initiatives for businesses, to expand and deepen our impact on business growth: supporting the Porirua Pop-Up Business School, presenting to the Martinborough Business Association and to the Mahuki accelerator alumni, and running an event for business mentors. Focussing on Porirua Pop-Up Business School the results from this pilot funded alongside Porirua City Council and Te Puni Kokori, had the following summary results:

- 10 day course over 2 weeks
- 43 people attended the event, with an average of 7 days participation from participants
- 22% Maori, 31% Pacifica, 14% Asian, 33% European
- 71% female, 29% male
- 37% achieved sales within 2 weeks of the event as a result of what they learned

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Pop-Up Business School are following up with the participants and have established an Alumni. They have also been funded to run a second pilot in Upper Hutt and are firming up a third one with Kapiti Coast District Council. Any clients who have been part of the Pop-Up Business School who are suitable for receiving Regional Business Partner support can come into WREDA's direct client base for support.

During Quarter 2 WREDA has with Councils and Chambers of Commerce determined the importance of mapping the business support ecosystem in the Wellington region. This work to be delivered in Quarter 3 will enable the understanding of where duplication and gaps in the ecosystem exist.

Scale Ups

WREDA has tested the concept of supporting the growth of scalable businesses during 2017. We have been working with our subsidiary Creative HQ engaging over 50 suitable businesses and possible service providers to a programme. This process has led us to change from the proposed scale-up programme that had previously been proposed because:

- There was limited appetite for a programme amongst businesses who were at the stage of being able to scale. This was due to their diverse needs and timing constraints.
- There is demand by those businesses to find the services they need more efficiently and with confidence

Based on these findings the project is now focused on developing a channel through which businesses can find 'Experts on Demand'.

During the second quarter, we worked with Creative HQ to run a workshop to develop the offering. The outcome from the workshop points to provision of a digital platform that delivers efficient matching capability based on ratings and performance of providers who are deployed into the businesses.

Wellington International Student Growth Programme

The Wellington International Student Growth Project (WISGP) team brought 4 Indian agents, 4 Chinese agents and 14 Auckland-based international agents to Wellington to familiarise them with the city and the institutions. The team have undertaken a promotional trip to India and a digital marketing campaign has been delivered targeting the Vietnamese market. The video we created was viewed more than 1.4 million times and generated over 14,000 visits to wellingtonnz.com/study.

The team hosted 50 paying students from Xi'an, China, resulting from an MOU signed with their Education Bureau in 2015.

The Wellington International Student Excellence Awards were successfully held and were made newsworthy by editorial coverage in a primary education trade magazine, The Pie.

This has all added to the increased presence of Wellington in the key target markets for the members of the WISGP.

Interns

WREDA continues to work with Summer of Tech, providing sponsorship and active support. This year 132 tech interns were placed, up from 118 in 2017. With WREDA support, Summer of Biz successfully piloted for HR and marketing students and resulted in 23 internships.

60 R&D internship placements were funded by Callaghan Innovation and 25 students for funded internships were sourced through Summer of Tech.

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Through Work Integrated Learning opportunities, a further 42 tech students completed projects with 11 businesses as part of their course work. Additionally, 240 students undertaking the Victoria University Wellington marketing capstone course worked with 4 SME's to provide a marketing management plan. Top students presented to the business and provided a written report.

In total, 81 businesses have hosted interns or completed university projects with students.

Talent Attraction

The LookSee programme continues to deliver results with some 24 jobs now placed in 16 businesses in the region from the original LookSee Week candidates. A further 30 candidates are still at varying levels of discussion regarding job opportunities with the recruitment lead *WorkHere New Zealand*.

WREDA is engaging with LookSee candidates and Looksee applicants who have remained engaged to promote travel to Wellington to further their interest in living and working in Wellington. Immigration New Zealand are supporting this activity. By talking to these candidates about opportunities such as visiting during TechWeek is further maintaining their engagement and pursuit of a career in Wellington.

To assist with these communications to the candidates who are on the LookSee database and assist with bringing them down the decision-making funnel, WorkHere have set up an online portal for communicating with the candidates through webinars and online methods.

The original campaign has continued to receive accolades as a new way to undertake international talent recruitment, with a special article ran by Development Counsellors International (a leading talent campaign organisation from the US), highly commended at the New Zealand Innovation Awards and the Marketing Directors Asia Pacific Awards, as well as earlier winning the Economic Development NZ MBIE best practice award.

Screen Sector

A number of MOU's have been signed between our Screen Wellington function and overseas counterparts to strengthen collaboration with the screen sector in Beijing and Canberra. This is intended to support work on screen and TV productions between the cities and regions. A Memorandum of Understanding between the NZ Film Commission and the Regional Film Offices of NZ will create a more collaborative approach between these partners thus providing a more seamless experience for those looking to make films in New Zealand. At its centre is an agreed approach for dealing with screen production enquiries that come into New Zealand via the NZ Film Commission and / or various Screen Offices (and consequently relevant Economic Development Agencies) across the country for best effect.

WREDA sponsored the Screen Production and Development Association (SPADA) conference which took place in Wellington. This brings together key screen industry professionals and with a significant speaker line up enabled the highlighting of Wellington as New Zealand's screen capital.

Alongside the SPADA conference, we also supported the last instalment for the 2017 Angus Finney master-classes, concentrating specifically on pitching your product, marketing and distribution, as well as talent development for producers working in a global market.

We continue to facilitate the permitting process across the region for movie shooting, working alongside local authorities on this process. We are looking at how this process can be improved to ensure greater efficiency to the clients (the movie-makers). In the first half of the year we facilitated 267 permits.

Creative Industries

WREDA worked with WCC's international team to organize the mayoral sister-city delegation to Beijing, Seoul and Sakai. The mayor was accompanied by a cohort of 40 Wellington businesses representing our

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Creative Industries. WREDA participated in the trip and hosted an event in Seoul bringing Wellington participants together with counterparts from that city. Several Memorandum of Understanding were signed or muted during the visit. Of particular interest to the creative sector was a major project that Pukeko Pictures signed with their partner in Beijing to deliver a major new tourism facility based around Chinese herbal medicines.

WREDA is supporting 'ProjectR', a co-working space and technology studios for Augmented Reality (AR) / Virtual Reality (VR) initiatives. This support will promote collaboration between universities, government and businesses working in this field and provide WREDA with the opportunity to joint venture on events. Apart from the events run at the ProjectR facility it has become the base for 7 AR / VR start-up organisations over the first half of 2017/18.

WREDA hosted two speakers participating in the 'Inspiring Speakers Programme' developed to promote the growth of Wellington's Technology & Creative communities. Sam Gill, a game developer/storyteller from Singapore was hosted in partnership with the NZ Film Commission which attracted 80 entrepreneurs from screen and creative industries. Secondly Kate Drane is from Indiegogo, a crowdfunding platform in San Francisco, attracting 25 entrepreneurs looking for investment.

ICT Sector

WREDA has committed to work with 'NZ Tech', ATEED and ChristchurchNZ on the delivery, promotion and organisation of TechWeek 2018. Our commitment will maximise the opportunity provided by TechWeek which bring individuals and organisations together to learn and celebrate the nations Technology sector. WREDA will host one of the four 'headline events' for TechWeek – 'Creative Realities – inventing the future'.

We're supporting an Artificial Intelligence initiative of storytelling on a worldwide platform; reinforcing Wellington as New Zealand's lead AI-city. We also have supported NZ Tech and their AI Forum delivering a stocktake on New Zealand's Artificial Intelligence capability, including that of Wellington.

Callaghan Innovation have started running 'Innovation Forum's' around the country and asked WREDA to engage suitable local businesses for the Wellington region to participate in this peer-to-peer learning exchange. 3 events have been held with between 12 and 20 businesses at each event. The participating businesses are: Endgame, Stratamap, Beca, NEC, Rabid Technologies, Whosonlocation, Psoda, Springload, Weta Workshop, FarmIQ, BlackeyeVR, Kaynemail, Intela Data Science, Clicksuite, Elastic Green, Mexted, TouchTech, Tour writer, Wood design, Experience, StoryInc, Pledgame, StarNow, NyukNyuk, Seekom, Press Patron, Regen, Signify, Enspiral, L2VR, Embrium, Big Ears, and Bostic.

The aim of the forum sessions is to help businesses become aware of their own innovation needs and to resolve those through collaboration with other local businesses or engaging in the WREDA led Regional Business Partner Programme.

High Value Manufacturing / Food & Beverage Sector

WREDA supports the Wellington Culinary Events Trust, to deliver Visa Wellington on a Plate, part of this is working with the WCET team to bring more Wellington produce to hospitality businesses participating in the festival. The team assists by ensuring new producers and manufacturers are invited to participate in a Supplier Showcase which took place at the end of January.

As local Project Manager of MPI funded Wairarapa Cropping Strategy, WREDA led the delivery of a strategy workshop attended by parties from around NZ to brainstorm market-led cropping options. The output from this workshop has led to some small trials being planted and a plan developed for food industry engagement.

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Science Sector

WREDA organised November's Wellington Health Tech Networking Event, which addressed a key barrier in the region - lack of commercialisation skills amongst life science entrepreneurs. The event was hosted at AJ Park and at maximum capacity (50 people). Very positive feedback received from the health tech community, including this comment from a US medtech entrepreneur considering Wellington as a base for his business, "Your ability to segue Harmony into introductions with these people and to speak about us is... a good thing for both our young company and the city." This event tackles feedback from investors that science entrepreneurship has a low profile in the Wellington region, meaning early stage investors are not aware of emerging science opportunities.

WREDA's efforts are also driven by MBIE's "The Impact of Science" paper, which found that the average lag between academic research findings and the commercialisation of the innovations based on those findings was seven years. Building valuable connections between industry and research can be a source of competitive advantage for our region. Our efforts to speed connections are already attracting the interest of the Ministry of Health who are developing plans for a region to host Emerging Technology projects.

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Creative HQ

General business overview

During the first half of FY 2017/2018 CHQ completed the delivery of three high profile acceleration programmes – the Lightning Lab Electric accelerator for the energy industry, the R9 GovTech Acceleration programme and Fonterra’s corporate acceleration programme (Fonterra Disrupt). The feedback on our services to Fonterra was outstanding and consequently Creative HQ was selected as the preferred global partner for acceleration to take on full responsibility for the global delivery of “Disrupt 3” in 2018.

The excellent results of the first Kiwibank FinTech Accelerator (KFA), delivered in 2017, with the stand out performance of cohort venture *Sharesies* have resulted in Creative HQ being able to further its partnership with Callaghan Innovation and Kiwibank through their committal to another FinTech Accelerator in 2018. The KFA 2 will commence on 12 Feb 2018 with a cohort of 10 national and international teams coming to Wellington to go through the programme and pitch their ventures to investors in May 2018.

In light of the change of Government and some uncertainty of the Result Area 9, Better for Business programme (which has been responsible for funding the R9 Accelerators to date), Creative HQ saw an opportunity to bring the programme in house and under Creative HQ’s acceleration brand *Lightning Lab*. With the support of colleagues in WREDA, the Wellington City Council and the Wellington Regional Council, Creative HQ was able to announce the new *Lightning Lab GovTech* programme (which will serve as the successor of the R9 Accelerator) for delivery in 2018.

Creative HQ was able to end the Q2 on a high with a successful submission to the Wellington ICT Grad School for providing an entrepreneurial boot-camp in 2018.

Creative HQ’s business units

Acceleration and Incubation

Creative HQ’s Acceleration and Incubation business unit has experienced a steady period in the first six months of the financial year. Following the successful completion of the acceleration programmes started in the previous year, focus has turned to preparations for the upcoming accelerator programmes. Of particular interest was the exploration of new verticals for our accelerators – namely the tourism, agriculture, food and beverage, transport and entertainment industries.

In preparation for acceleration programmes in these industry verticals events have been organised to provide market validation data to determine whether accelerator programmes are viable in these industries. Most notable was the delivery of the *Feed the World – Power of Plants* hackathon in collaboration with Lincoln University which was attended by the new Minister for Science and Innovation, Dr. Megan Woods.

Following the award of a dedicated acceleration programme for Māori founders and entrepreneurs in early 2017, work has continued with programme partners Te Wānanga o Aotearoa and a range of other suppliers. The *Kōkiri Accelerator* which will be supported by Creative HQ will commence in February 2018.

Creative HQ’s incubation programme has grown significantly over the last 6 months with a cohort of 23 companies in the programme which surpasses expectations and targets set by Callaghan Innovation. As at December 2017 3 high growth exits had occurred and tracking demonstrates that Creative HQ is on track to achieve all incubation metrics targets this year.

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At the beginning of FY2017-18 Creative HQ launched a software platform *SCALE* which allows the team to manage and support accelerator teams regardless of their location and programme. Creative HQ's *SCALE* is being used by almost all regions in the South Island and is becoming the de facto standard for managing innovation programmes. The software platform allows the measurement and tracking of previously unavailable data about the execution performance of teams in incubation and acceleration programmes and also provides detailed information to stakeholders (such as Callaghan Innovation) and potential future investors (e.g. for use during due diligence processes).

Customer and Community Engagement

The main programmes delivered by this business unit are hardware prototyping space *1st Assembly*, the youth entrepreneurship programme *Venture Up*, the entrepreneurial upskilling programme for researchers *Get Funded* and community engagement initiatives such as *Start-up Garage* and Creative HQ hackathons.

Following challenges with the premises of *1st Assembly* in Hutt City a move is anticipated in March 2018.

Following the successful delivery of three *Get Funded* programmes in FY 2016/17 Creative HQ delivered another 3 events in late 2017. *Get Funded* is an impactful 2-day workshop for researchers, academics and IP generators in Crown Research Institutes to learn about entrepreneurial methodologies and funding sources from the private sector (i.e. angel investment). The programme is a collaboration with Kiwinet, MBIE, Callaghan Innovation and most of New Zealand tech transfer offices and research institutes with strong support from Victoria University and VicLink.

In collaboration with WREDA colleagues, Creative HQ also completed preparation for a local variant of the youth entrepreneurship programme "*Venture Up*" which kicks off on 22 January 2018 with 30 keen high school and university students from the Wellington region.

Creative HQ's start-up community *Start-up Garage* has become the largest organised group of business professionals in Wellington with over 2700 members in Wellington. In addition to *Start-up Garage* we also look after a specialist meet-up group for practitioners of exponential organisations *ExoSphere* with just under 200 members.

Another highlight of 2017 was the delivery of a Hackathon with Victoria University on improving interest in language learning for students in New Zealand. The *EduHack* attracted over 50 passionate professionals, practitioners and students from Wellington's vibrant language learning communities and organisations.

Enterprise Innovation

While the innovation activity in the public sector slowed down markedly in the first half of FY2017-18 Creative HQ was able to continue with delivery of innovation programmes in the private sector, attracting new clients such as Sealord, Sanford, the Social Investment Agency, Foodstuffs, Lincoln University, PHARMAC, Gareth Morgan Investments, AliPay and The Warehouse. Working with these new clients provides our team with excellent opportunities to expand our areas of expertise of innovation in different industries, and to further broaden Creative HQ's reputation, brand and reach for assisting organisations of all sizes to improve their innovative capabilities and outcomes whilst generating service revenues for Creative HQ.

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WREDA Key Performance Indicators – Quarter Two, 2017/18

Programme of Activity		Measure	2017/18 Target	YTD Actual Q2	YTD Budget Q2	2017/18 Forecast
Grow Business and Innovation	Business Support Development	No. of companies on the scale-up programme ⁽¹⁾	10	0	0	0
	Sector Events	No. of events supported in key sectors. ⁽²⁾	3	3	1	3
	Regional Business Partner Programme	Number of actively supported businesses ⁽³⁾	445	230	222	445
	Creative HQ	No. of Wellington start- up ventures and early stage businesses on the CHQ Platform ⁽⁴⁾	25	18	12	25
		No of acceleration programmes (Lightning Lab and Venture Up) ⁽⁵⁾	2	2	2	2
		No. of members in "Start-up Garage" ⁽⁶⁾	3,000	2,758	2,750	3,000
		No. of companies becoming investable ⁽⁷⁾	5	3	2	5
Attract Business and Investment	Screen Wellington	Conversion rate of logged enquiries to confirmed production or business ⁽⁸⁾	25%	33%	25%	25%
		Value of facilitated screen production ⁽⁹⁾	\$100m	\$64.5m	\$50m	\$100m
		Customer satisfaction survey ⁽¹⁰⁾	80%	76%	Annual figure	80%
	Grow businesses and innovation	Number of jobs created from WREDA intervention ⁽¹¹⁾	335	110	120	335
Attract, Retain and Grow Talent	International Student Attraction	International student visas ⁽¹²⁾	6,930	5,775	5,200	6,930
		International student enrolments ⁽¹³⁾	9,200 (+8.2%)	Annual measure	Annual figure	9,200 (+8.2%)
		NZ Market share of International students ⁽¹⁴⁾	7%	5%	7%	6.5%
	Student Employment Pathways	Interns placed in priority sectors ⁽¹⁵⁾	225	233	150	260
	Talent Attraction	Net permanent and long-term arrivals ⁽¹⁶⁾	3,600	3,888	2,000	3,600
		Wellington share of total net permanent and long-term arrivals ⁽¹⁷⁾	6%	5.6%	5.6%	6%

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Nurture Environment Conducive to Economic Growth	Partner / Stakeholder Engagement	Partner/Stakeholder satisfaction score with engagement ⁽¹⁹⁾	80%	Annual measure	Annual measure	80%
	Iwi Economy	Mana Whenua satisfaction score with engagement ⁽²⁰⁾	Set baseline	Annual measure	Annual measure	Set baseline
Grow the Visitor Economy	Visitor Marketing Campaigns	Total Commercial Guest Nights ⁽²¹⁾	3.2m	1.5m	1.2m	3.3m
		Visitor spend: Total ⁽²²⁾	\$2600m	\$1219m	\$1130m	\$2600m
		- International	\$860m	\$364m	\$300m	\$860m
		(of which from Australia	\$240m	\$111m	\$100m	\$240m
		(of which from China)	\$79m	\$25m	\$30m	\$79m
		- Domestic	\$1700m	\$855m	\$830	\$1700
		Australian arrivals via Wellington Airport ⁽²³⁾	160.9K	77.6k	84k	160.9K
	Business Events Wellington	NZ market share multi-day conferences ⁽²⁴⁾	18%	22%	18%	18%
		Number of international business event bids submitted and/or supported in FY ⁽²⁵⁾	20	22	10	40
		Value of business events (international and domestic) secured in FY ⁽²⁶⁾	\$15m	\$12.05m	\$7.5m	\$15m
		Value of expenditure by out of town venue attendees ⁽²⁷⁾	\$45.4m	\$33.1.	\$25.20	\$58.4m
	Venue Management	Advance the Cultural well-being of Wellington – Number of Wellingtonians attending performance events at Venues Wellington ⁽²⁸⁾	290,720	162,415	116,288	290,720
		Total number of Events: ⁽²⁹⁾	624	289	295	621
		- Performance	320	153	142	324
		- Conference	304	146	153	297
Promote Wellington's Brand and Unique Identity	Major Events Programme	ROI via out of Wellington spend ⁽³⁰⁾	20:01	Annual Measure	Annual measure	20:01
		Economic value of major events invested in. ⁽³¹⁾	\$80m	\$57.2m	\$40m	\$80m
		Total event attendance ⁽³²⁾	700,000	226,407	255,000	700,000
	Media Programme	Visitor attraction stories in NZ, Australian media	500	348	250	625

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		⁽³³⁾				
		Live, work, do business, invest stories in local NZ and Australian media ⁽³⁴⁾	85	73	42	125

Sources:

- 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 15, 18, 25, 29, 33, 34 – internal count of activity outputs and outcomes
 12, 13, 14 – Student Applications, Visas and Permits report (Stats NZ)
 16, 17 – Immigration/Migration Reports (Stats NZ)
 21 – Commercial Accommodation Monitor (Stats NZ)
 22 – Monthly Regional tourism estimates (MBIE/Stats NZ)
 23 – International Visitor Arrivals (Stats NZ)
 24 – Convention Activity Survey (MBIE)
 26 – delegate number multiplied by Convention Activity Survey (MBIE) spend data
 27 – Total number of tickets sold to people from outside the Wellington region multiplied the average visitor spend (Stats NZ) for visitors from the places tickets are sold
 28 – Total number of tickets sold to Wellington region addresses

Macroeconomic -Benchmark Indicators

Benchmark Indicator	2017/18 Target	YTD Actual Q2	YTD Budget Q2	2017/18 Forecast
Wellington real GDP growth	3.0%	Annual measure	3.0%	3.1%
Wellington employment growth	2.5%	4.0%	2.5%	2.5%

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**WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED
FINANCIAL REPORT FOR 6 MONTHS TO 31 DECEMBER 2017
(Consolidated with Creative HQ, excludes Venues)**

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME	YTD Actual 31-Dec-17	YTD Budget 31-Dec-17	Variance YTD	FY Forecast 30-Jun-18	FY Budget 30-Jun-18	Variance 30-Jun-18
Revenue						
Event revenue	0	0	0	0	0	0
Shareholder grants	12,817,849	13,030,648	(212,799)	23,456,529	23,697,495	(240,966)
Government grants	666,199	327,402	338,797	654,800	654,800	0
Partner revenue	831,970	898,000	(66,030)	1,512,570	1,460,500	52,070
Visitor Centre	837,760	931,600	(93,840)	1,962,486	2,300,000	(337,514)
Sub lease and carpark revenue	50,151	24,000	26,151	74,252	24,000	50,252
Interest income	36,191	30,546	5,645	68,444	64,092	4,352
Other income	870,141	495,002	375,139	2,017,009	1,257,504	759,505
Total Revenue	16,110,261	15,737,198	373,063	29,746,090	29,458,391	287,699
Direct Costs						
Cost of sales	695,040	748,715	53,675	1,730,518	1,900,000	169,482
Wages (events etc)	0	0	0	0	0	0
Other direct costs	0	0	0	0	0	0
Total Direct Costs	695,040	748,715	53,675	1,730,518	1,900,000	169,482
Operating Expenses (overheads)						
Salaries and wages	6,377,708	6,367,590	(10,118)	12,690,983	12,675,197	(15,786)
Other employment costs	437,946	405,504	(32,442)	604,793	670,879	66,086
Occupancy costs	312,191	312,430	239	620,861	624,860	3,999
Marketing & activity expenses	8,045,534	7,174,766	(870,768)	12,793,330	11,954,950	(838,380)
Utilities	20,513	8,800	(11,713)	30,445	17,600	(12,845)
IT and communications	178,160	239,568	61,408	449,060	420,411	(28,649)
Insurance	0	0	0	16,836	16,000	(836)
Administration costs	310,500	365,141	54,641	597,082	636,529	39,447
Vehicle expenses	24,859	23,856	(1,003)	49,930	47,712	(2,218)
Travel costs	96,669	66,796	(29,873)	135,374	133,592	(1,782)
Professional fees	55,783	15,000	(40,783)	69,554	30,000	(39,554)
Director fees	94,699	75,000	(19,699)	133,588	150,000	16,412
Other operating expenses	0	0	0	0	0	0
Total Operating Expenditure	15,954,562	15,054,451	(900,111)	28,191,836	27,377,730	(814,106)
Total Expenditure	16,649,602	15,803,166	(846,436)	29,922,354	29,277,730	(644,624)
Net Surplus/(Deficit) before Depreciation and Tax	(539,341)	(65,968)	(473,373)	(176,264)	180,661	(356,925)
Interest expense	0	0	0	0	0	0
Depreciation	82,314	69,680	(12,634)	134,958	133,481	(1,477)
Movement in investment valuation	0	0	0	0	0	0
Taxation expense	0	0	0	0	0	0
Net Surplus/(Deficit)	(621,655)	(135,648)	(486,007)	(311,222)	47,180	(358,402)

WREDA has had a positive start to the 2018 financial year. Whilst we are recording a deficit currently above our budgeted YTD this is the result of timing of invoices received for some supported Major Events during December, rather than the original January budgeted. This is reflected in Marketing and Activity Expenses.

Our year end forecast position is also reflective of the surplus that we made in the 2017 year end, due to accounting treatment of some of our revenue, being partially spent (using the same accounting treatment methodology) in the 2018 financial year bringing us to the deficit position. When preparing the 2018 budget we were not anticipating treating revenue this way.

A reduction in shareholder grants is reflective of the timing of our Destination Wellington programme of work funding being received later than anticipated and lower funding by shareholder of our subsidiaries programme of works.

Our subsidiary Creative HQ, has however been successful with new funding of programme of works and this is shown by the increase in government grants.

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COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 4 APRIL 2018

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Our Visitor Centre income continues to improve since an initial drop off in income after the relocation of the Visitor Centre to outside the MFC after the 2016 earthquake. It does however continue to track below budget YTD but a positive start to the 17/18 cruise season and a favourable start to the Wellington weather during summer has seen this income improve toward budget month by month. We anticipate that this income should be close to budgeted by the end of the financial year. The Visitor Centre will again be subjected to difficult trading conditions whilst the Town Hall strengthening project occurs next door.

We are currently working through various scenarios to minimise the impact disruption to our Visitor Centre and visitors.

WREDA, the parent, has seen a positive financial impact to its relocation of its non MFC staff to Victoria Street in April 2017. Savings have been higher than anticipated and this along with an emphasis on rigorous analysis of staffing requirements as staff have left the organisation is resulting in the ability to have more agility in funds available for deployment into programmes of work as opportunities arise during the year.

STATEMENT OF FINANCIAL POSITION – AS AT 31 DECEMBER 2017

STATEMENT OF FINANCIAL POSITION	As at 31-Dec-17	Budget 31-Dec-17	FY Budget 30-Jun-18
Shareholders Equity			
Paid up capital	1,000	1,000	1,000
Retained earnings	991,253	1,335,458	1,518,256
Total Shareholder/Trust Funds	992,253	1,336,458	1,519,256
Current Assets			
Cash and cash equivalents	1,990,732	1,439,457	1,618,445
Other current assets	824,749	675,000	595,724
Total Current Assets	2,815,481	2,114,457	2,214,169
Investments	1,413,177	1,400,000	1,400,000
Non-current Assets			
Fixed assets	422,958	352,001	288,200
Other non-current assets	0	0	0
Total Non-current Assets	422,958	352,001	288,200
Total Assets	4,651,616	3,866,458	3,902,369
Current Liabilities			
Accounts payable	2,530,745	1,400,000	1,262,677
Other current liabilities	1,128,618	1,130,000	1,120,436
Total Current Liabilities	3,659,363	2,530,000	2,383,113
Non-current Liabilities			
Total Liabilities	3,659,363	2,530,000	2,383,113
Net Assets	992,253	1,336,458	1,519,256

WREDA is in a positive cash holding position. Slightly higher than anticipated accounts payables than budgeted at the end of the half year are primarily the result of timing of invoices received for Major Events Support as noted above.

WREDA has had to incur earlier than anticipated technology replacements during the year which has assisted in higher than budgeted holdings of fixed assets. This higher balance is also reflective of the subsidiaries asset purchase programme with increasing delivery of programmes of work. Additionally

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WREDA finished the previous financial year with higher than anticipated fixed assets, which resulted in the financial year starting with higher assets than budgeted.

STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

STATEMENT OF CASH FLOWS	YTD Actual 31-Dec-17	YTD Budget 31-Dec-17	FY Budget 30-Jun-18
Opening Cash	1,706,958	2,100,000	2,100,000
Operating Cash Received	16,074,070	15,706,652	29,057,895
Operating Cash Paid	(15,677,344)	(16,367,741)	(29,543,542)
Other Receipts	36,191	30,546	64,092
Other Payments	(149,143)	(30,000)	(60,000)
Closing Cash	1,990,732	1,439,457	1,618,445

WREDA has no cash flow issues.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 4 APRIL 2018

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Wellington City Council
Me Heke Ki Pōneke

WELLINGTON



To: Wellington City Council
From: Wellington Zoo Trust
Date: 31 January 2018

Second Quarter Report 2017/18 Financial Year

Highlights

- For the fifth year in a row, the Zoo has achieved its carboNZero certification and more savings are expected with the switch to Ecotricity, New Zealand's only 100% carboNZero certified electricity provider.
- Wellington Zoo will be working with Zealandia to band kākā that come through The Nest Te Kōhanga and are ready for release. When birds are sighted in the community or recaptured we will be able to obtain information on the rehabbed and released birds.
- CE Karen Fifield attended the 72nd WAZA (World Association of Zoos and Aquariums) Conference held in Berlin where she presented in the People, Profit, Planet, Progress section re sustainability in Zoos and Aquariums using the UN Sustainable Development Goals. She is also a member of the WAZA Animal Welfare Committee.
- In collaboration with the Wellington Chocolate Factory, three new Zoo chocolate bars supporting our conservation partners (Gibbons, Cheetahs and Sun Bears) have been launched to sell over the holiday season.
- New Zealand members of the Zoo and Aquarium Association Australasia asked MPI if it could change its audit process to include Work Safe and a zoo expert as part of a cross government approach to auditing New Zealand zoos and aquariums. This new approach was trialed for the first time in December at Wellington Zoo at which the Zoo successfully passed its audit.
- In October we began selling our Wellington Zoo 'Re-Wrap' reusable tote bags at New World Wellington City. This product supports social and environmental responsibility throughout its manufacture in Indian communities and aligns Wellington Zoo's conservation messages with the national conversation around single-use plastic bags.
- There has been an influx of baby animals delivered at the Zoo this quarter including meerkat pups, a red panda and six Nyala calves.
- The result for the six months to 31 December 2017 shows an operating surplus of \$99K against a budgeted operating deficit of \$96K.
- Operating Revenue is above budget by \$181K and operating expenditure is below budget YTD December by \$14K.
- Visitor numbers are currently 6.8% ahead of those recorded as at 31 December 2016.

Challenges this Quarter

- None

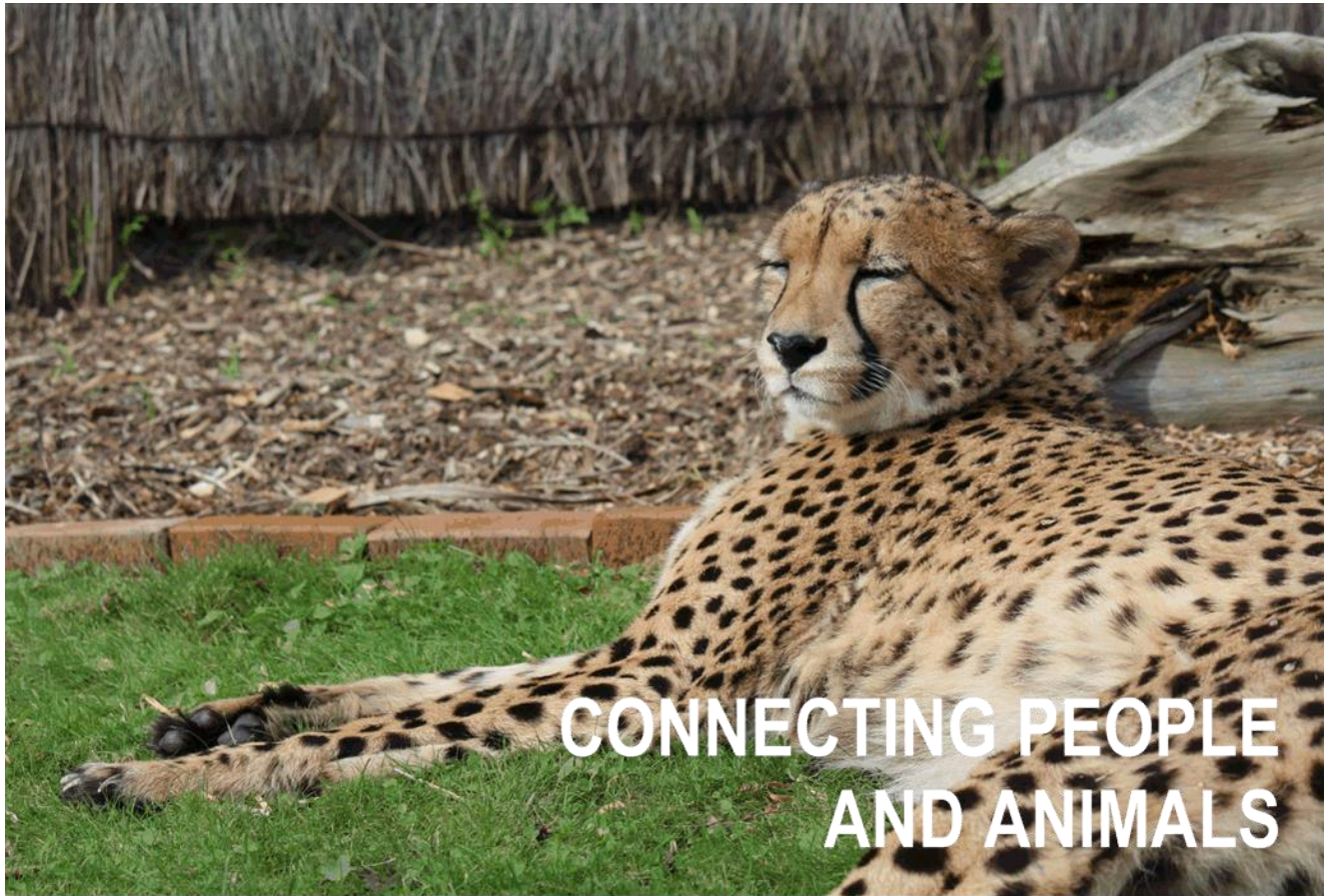


Photo: Cango the Cheetah, International Cheetah Weekend

- Wellington Zoo celebrated International Cheetah Weekend in December 2017. Visitors discovered how the Anatolian Guard Dog Project helps Cheetahs to survive in the Wild and participated in various games and activities designed to explore the characteristics of Cheetah, Lions and Tigers.
- In November Wellington Zoo supported Jane Goodall Institute's initiative, "No Waste November" through various activities designed to raise awareness about recycling, and encouraging visitors to make their own pledges to reduce waste.
- Our Community Conservation Coordinator, participated in the International Zoo Educators Job Experience programme, spending two weeks with Zoos Victoria. Emilia visited all three Zoos Victoria sites and learned about community engagement initiatives. (Following attendance at this programme, Emilia worked as a volunteer for the Save the Tasmanian Devil Programme in Tasmania.)
- Wellington Zoo Educators participated in various events in the community, including:
 - Wellington Botanical Gardens Kids Day Out event on Saturday 30 September. The Discovery Garden was officially opened for the community to learn about our natural world. We ran activities at our Wellington Zoo stall which included identifying the native plants that animals at the Zoo like to eat.
 - the Koraunui Bioblitz (nature exploration) at Koraunui School in Stokes Valley. Sixty plus scientists from organisations such as Zealandia, Te Papa and Forest and Bird and 400 local school children participated in the event. Various activities encouraged kids to discover what kind of creatures live in the local bush and to explore what our native animals need to survive in the wild.

Visitor Numbers

	Current YTD 2017/18
Actual	111,506
Target	110,663
Difference	843

LEOTC Numbers

	Annual Target	YTD 17/18
School Visits (LEOTC)	10,500	6,067

Species Planning

Arrivals			
Species	Gender	Status	Due
Tasmanian Devils from Australia	Two males and one female	Recommendation received	Early 2018
Porcupines from USA	Male and female	Awaiting dates to be confirmed	Early 2018
Burrowing Cockroaches	Four males and four females	From Mini Beast Wildlife in Queensland	Arrived December 2017
Australian Rainforest Mantis	Males and females	From Mini Beast Wildlife in Queensland	Arrived December 2017
Rhinoceros Beetles	Males and females	From Mini Beast Wildlife in Queensland	Arrived December 2017
Green Iguana	One	From Auckland Zoo	Early 2018

Planned Transfers Out			
Species	Gender	To	When
Porcupine	Male	Perth Zoo	After importation of new pair from USA
Agoutis	Three females	Perth Zoo	Early 2018
Nyala	Six	Werribee Open Range Zoo	April 2018



Photo: Meerkat pups born at Wellington Zoo in December

- Conservation Weekend, linked to DOC's theme of 'Love my Backyard', was held over Labour Weekend and focussed on sharing ways with visitors on how they can make a difference by supporting the animals that live in their own backyards. Activities included making a Gecko friendly garden, getting up close to Wētā and Tuatara and being "Vet for a Day".
- Major clients ANZ, Datacom, Catalyst and Contact Energy held their Christmas functions at the Zoo this year. Our new Venues team has been actively promoting the Zoo as a desirable function location.
- A new "Wellington Zoo Activity and Colouring Book", themed to conservation and designed in-house, was printed in September and has been selling very well. Common-Good ethical wristbands and Misprint note books are also on sale and are examples of the 33% sustainable/eco-friendly products now available in the Zoo shop.
- In Quarter Two, Facebook reached 520,449 unique users with 28,459 of these users engaging with our page posts. Twitter had a combined total of 49,000 impressions during the quarter and Instagram impressions totalled 40,646.
- Monopoly's Wellington edition launched in November and Wellington Zoo is included as one of the "green" properties.



Photo: Ash Howell, Marketing & Communications Advisor at Pù Mát National Park, Vietnam

- During the second quarter two staff supported our conservation partners in the field:
 - Animal Care and Science GM, Mauritz Basson worked with Cheetah Outreach through their Anatolian Shepherd Guard Dog programme to undertake a census of Cheetah numbers at the far North border of South Africa and Botswana.
 - Ash Howell, Marketing and Communications Advisor, travelled to Pù Mát National Park, Vietnam to assist Fauna and Flora International to develop a social media strategy to create an awareness of the critically endangered White Cheeked Gibbons, a flagship species for the Wellington Zoo. We are founding partners in this project.
- On behalf of DOC, Wellington Zoo is responsible for monitoring translocated Wellington Green Geckoes and Ngahere Gecko populations on Matiu Somes Island. During the November trip (number two of seven scheduled for the season) the team successfully located a Wellington Green Gecko.
- Sumatran tiger introductions for breeding purposes have commenced between female Senja and male Bashii which, to date, have gone very well with both cats responding and interacting in both a neutral and/or positive manner. Any positive outcome of this breeding programme will be very important as Sumatran tigers are critically endangered, with as few as 400 remaining in the wild.
- Wellington Zoo's Rangatahi Roots and Shoots¹ team mapped their local environment before deciding to initiate a clean-up of Seatoun Beach, focussing on removing one-use plastics. Four huge sacks of small pieces of rubbish were collected, sorted and recycled where possible, helping to save marine life and diverting waste from landfill.

¹ This programme was launched by Dr Jane Goodall, DBE during her visit to Wellington Zoo in late June. It is based on a JGI Roots & Shoots initiative engaging young people with their local environment.

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	28
November	33	41	37
December	67	58	61
	478	429	443



Photo: CE Karen Fifield MNZM presenting at the 72nd WAZA (World Association of Zoos and Aquariums) Conference, Berlin

- Simon Eyre, Animal Science Manager, has been reappointed as the Chair of ZAA's Accreditation and Animal Welfare Committee (AAWC). This is significant given the next round of accreditation for ZAA members will begin in 2018.
- Two keepers have been appointed as new species coordinators for Zoo and Aquarium Association (ZAA): Maxine Jenkins for Campbell Island Team and Antipodes Parakeets; and Nathan Spurdle for New Zealand Banded Rail and New Zealand Kingfisher. Species coordinators champion programme species and produce key deliverables such as recommendations and captive management plans.
- Amy Hughes, General Manager Community Engagement, presented at both Taronga Western Plains and Taronga Zoos in NSW on how The Nest Te Kōhanga visitor experience was developed. Both Australian zoos have acknowledged that The Nest Te Kōhanga is the best example known of a zoo animal hospital combining excellent animal care with great visitor engagement and they are looking at following our model in the near future.
- Senior Veterinarian, Baukje Lenting, was a key presenter at the TEDxVUW Talks and spoke about "Conservation research through a veterinary hospital".
- Simon Eyre and Amanda Tiffin, The Nest Te Kōhanga Practice Manager, were co-authors of a section of the recently published "Cheetahs Biology and Conservation".

- During the quarter, staff attended:
 - at NAWAC's request, the NAWAC/NAEAC² workshop on animal sentience for Wellington Zoo's input into the sentience requirements in the revised NZ Animal Welfare Guidelines.
 - the ZAA Exotic Species Summit, Christchurch to discuss the collection and population management and import health standards for New Zealand zoos.
 - a Giraffe training and husbandry conference at Cheyenne Mountain Zoo, USA. Team Leader Birds and Herbivores, Bobby Stoop, will introduce some of these initiatives into our standard Giraffe training practices. Subsequently, Taronga Zoo in Sydney funded Bobby to visit their zoo in December to pass on his learnings from the conference.



Craig Ellison
Board Chair
Wellington Zoo Trust

² National Animal Welfare Advisory Committee/National Animal Ethics Advisory Committee

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

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Appendix 1 – Wellington Zoo Strategy Framework 2017-18

Measure	Target 2017-18	Tracking YTD 31 December 2017	NOTES AS AT 31 DECEMBER
CONNECT PEOPLE WITH ANIMALS			
Contact animals meeting visitors in Zoo	1,100 hours	337 hrs 41 mins	
People participating in Animal Close Encounters	4,000	1,904	More people participate in Animal Close Encounters over the Summer months.
Number of students participating in LEOTC sessions	10,500	6,067	LEOTC figures are tracking well.
PEOPLE LOVE AND SUPPORT THE ZOO			
Increase total visitation	242,000	111,491	828 visitors ahead of target YTD and 7,806 visitors ahead of the same period last year.
Percentage of operating costs generated by the Trust	54%	58%	
Ratio of Trust generated income as percentage of WCC grant	120%	130%	
Average income per visitor from Trust generated revenue	\$16.26	\$18.88	
Average WCC subsidy per visitor	\$13.39	\$14.53	Showing improvement.
Full cost per visitor including WCC costs	\$21.21	NA	Annual
Volunteer engagement survey	1	NA	Annual
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 successfully released to the wild after treatment in the Nest Te Kōhanga	≥55%	82%	
Number of Field Conservation Projects supported for threatened (NZ) endangered or critically endangered (global) species	≥ 5	13	Kea Conservation Trust; Madagascar Fauna and Flora Group, Black and white Ruffed Lemurs, Proyecto Titi, Cotton Top Tamarins, Associação Mico-Leão-Dourado, Golden Lion Tamarins, Wildcats Conservation Alliance (Sumatran Tigers), Save the Tasmanian Devils Programme, FFI Vietnam White Cheeked Gibbons, Red Panda Network, Jane Goodall Institute (Chimpanzees), West Coast Penguin Trust, Free the Bears, TRAFFIC South East Asia.
% of OPEX directly contributed to field conservation	4%	Annual	This measure uses the Zoo and Aquarium Association Australasia toolkit to measure direct contribution to field conservation.
Participate in animal based scientific projects and paper publication	≥ 5	6	1. Lead toxicity in Tui with DoC Massey. 2. Lead toxicity in Kākā with DoC & Massey. 3. Honey Bee Pathogens with Victoria University, Wellington. 4. Major Histocompatibility Complex (MHC) detection in Cheetah if this is a contributing factor in mate choice for this species with Nick Cave, Massey University. 5. Feline gastrointestinal flora – of importance to our cats as we are having some digestive related problems with our Cheetah at present with Nick Cave from Massey. 6. Zoo animal anaesthesia study: Nigel Dougherty is one of our current residents in avian, wildlife and zoo animal health at Wellington Zoo and Massey University.
LEAD THE WAY			
Maintain Zoo and Aquarium Association Animal Welfare Accreditation	Achieved		The next three yearly audit will occur in 2018.
Maintain carbonZero certification	Achieved	Achieved November	Audit conducted, achieved accreditation
H&S targets met	Achieved	Annual	These measures are outlined in the H&S strategy and include lead and lag indicators, process improvement for reporting and analysis of H&S data including: seven SIT meetings (94% attendance). Overall Improvement in MCG H&S Culture & Maturity Survey, five successful emergency drills carried out to end of December 2017. Tracking slightly lower Near Miss and Hazard reports to date compared to 2016/17 financial year. Ten ACC claims to date in 2017/18 compared to 10 total in 2016/17 financial year.
People and Culture targets met	Achieved	Annual	This measure will include turnover, learning and development and other HR data.

Quarterly Report: Quarter Two 2017/18

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Appendix 2 – Financial Statements

CCO: Wellington Zoo Trust			
Quarter Two 2017/18			
\$NZ000's			
Actual 30-Jun-17	EARNINGS STATEMENT	Actual 31-Dec-17	Budget 31-Dec-17
	Revenue		
3315	Trading Income	1848	1685
3125	WCC Grants	1620	1642
82	Other Grants	41	40
332	Sponsorships and Donations-Operational	119	105
302	Sponsorships and Donations-Capital	500	0
63	Investment Income	24	16
206	Other Income	73	56
7,425	Total Revenue	4,225	3,544
	Expenditure		
4,724	Employee Costs	2,427	2521
2,328	Other Operating Expenses	1,194	1113
11	Depreciation	5	6
	Interest		
998	Vested Assets		
8,061	Total Expenditure	3,626	3,640
(636)	Net Surplus/(Deficit) before Taxation	599	(96)
0	Taxation Expense		
9	Operating Surplus (Deficit)	99	(96)
(636)	Net Surplus/(Deficit)	599	(96)
0.1%	Operating Margin	2.3%	-2.7%

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

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Actual 30-Jun-17	STATEMENT OF FINANCIAL POSITION	Actual 31-Dec-17	Budget 31-Dec-17
	Shareholder/Trust Funds		
0	Share Capital/Settled Funds	0	0
0	Revaluation Reserves	0	0
1,348	Restricted Funds	1,364	1,022
342	Retained Earnings	941	237
1,690	Total Shareholder/Trust Funds	2,305	1,259
	Current Assets		
1,906	Cash and Bank	3,349	2,281
1,858	Accounts Receivable	42	30
138	Other Current Assets	564	100
3,902	Total Current Assets	3,955	2,411
	Investments		
0	Deposits on Call	0	0
0	Other Investments	0	0
0	Total Investments	0	0
	Non-Current Assets		
24	Fixed Assets	19	8
0	Other Non-current Assets	0	0
24	Total Non-current Assets	19	8
3,926	Total Assets	3,974	2,419
	Current Liabilities		
1,658	Accounts Payable and Accruals	1,150	400
	Provisions		
578	Other Current Liabilities	519	760
2,236	Total Current Liabilities	1,669	1,160
	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	2,305	1,259
1.7	Current Ratio	2.4	2.1
43.0%	Equity Ratio	58.0%	52.0%

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

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Actual 30-Jun-17	STATEMENT OF CASH FLOWS	Actual Dec-17	Budget Dec-17
	<i>Cash provided from:</i>		
3315	Trading Receipts	1,848	1,685
3125	WCC Grants	1620	1,641
82	Other Grants	41	40
634	Sponsorships and Donations	619	105
63	Investment Income	24	16
-1432	Other Income	2,466	56
5787		6,618	3,543
	<i>Cash applied to:</i>		
4,724	Payments to Employees	2,194	2,521
1,481	Payments to Suppliers	2,981	1,113
	Net GST Cashflow		
998	Other Operating Costs (VESTING)		
	Interest Paid	0	0
7203		5,175	3,634
-1416	Total Operating Cash Flow	1,443	(91)
	Investing Cash Flow		
	<i>Cash provided from:</i>		
0	Sale of Fixed Assets		
	Other		
0		0	0
	<i>Cash applied to:</i>		
	Purchase of Fixed Assets		
(500)	Other -Receipt from sale of investments	0	0
(500)		0	0
500	Total Investing Cash Flow	0	0

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Actual 30-Jun-17	STATEMENT OF CASH FLOWS (CONT)	Actual 31-Dec-17	Budget 31-Dec-17
	Financing Cash Flow		
	<i>Cash provided from:</i>		
	Drawdown of Loans		
	Other		
0		0	0
	<i>Cash applied to:</i>		
	Repayment of Loans		
	Other		
0		0	0
0	Total Financing Cash Flow	0	0
(916)	Net Increase/(Decrease) in Cash Held	1,443	(91)
2,822	Opening Cash Equivalents	1,906	2,372
1,906	Closing Cash Equivalents	3,349	2,281

Actual 30-Jun-17	CASH FLOW RECONCILIATION	Actual 31-Dec-17	Budget 31-Dec-17
(636)	Operating Surplus/(Deficit) for the Year	599	(96)
	Add Non Cash Items		
11	Depreciation	5	6
	Other (movement restricted funds)	16	
(625)		620	(90)
	Movements in Working Capital		
(1,504)	(Increase)/Decrease in Receivables	1,816	50
(7)	(Increase)/Decrease in Other Current Assets	(426)	30
928	Increase/(Decrease) in Accounts Payable	(508)	(500)
(208)	Increase/(Decrease) in Other Current Liabilities	(59)	419
(791)		823	(1)
	Net Gain/(Loss) on Sale:		
0	Fixed Assets	0	0
	Investments	0	0
0		0	0
(1,416)	Net Cash Flow from Operations	1,443	(91)

REVIEW OF THE HALF YEAR REPORT FOR WELLINGTON REGIONAL STADIUM TRUST FOR THE PERIOD ENDING 31 DECEMBER 2017

Purpose

1. This report provides the sub-committee with a review of the half year report to 31 December 2016 submitted by Wellington Regional Stadium Trust 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 Wellington Regional Stadium Trust.

Discussion

3. The half year report has been reviewed by officers to assess any risks or issues. No significant issues or risks were identified.

ACTIVITY SUMMARY

Total event days were 24 (plus four community events), and attendance was 190,322. This compares to 200,723 for the six months to December 2016.

One of the event highlights during the period was the All Blacks versus British & Irish Lions Test on 1 July, which followed the Lions match against the Hurricanes five days earlier. Both the Test match and Hurricanes game were fully sold events, with the use of temporary seating. Operationally, these events ran very smoothly.

The other fully sold event during the period was the All Whites versus Peru FIFA World Cup qualifier match in November. It was fantastic once again to host a football event in a full stadium (with extra temporary seats) on a sunny Saturday afternoon.

A week after the All Whites game, the Stadium hosted a quarter final match in the 2018 Rugby League World Cup with New Zealand playing Fiji. This was attended by almost 11,300 people and again operationally went very well.

Mitre 10 Cup Rugby attendances averaged 2,928 for the round robin games, a slight increase on last year. This year the Wellington Lions hosted both a home semi-final and the final, and won the Mitre 10 Championship Cup, with promotion back to the Premiership.

There were six Phoenix games in the period, with average attendance of 4,873. This is below the prior season average of 5,359.

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Regular exhibitions held during the period were Beervana and the Home and Garden Show. The Stadium also hosted a Travel Show and the You and Your Child Expo.

In the 2015-25 LTP, the Council has provided \$5.0 million funding towards a significant upgrade of the public concourse. The Trust will also contribute substantial funding to this project. The façade upgrade is the single biggest element of the wider concourse upgrade project. Resource Consent and Building Consent for the façade upgrade were granted in January 2018. Initial works have begun and the full installation is planned to follow later in the year.

In October 2017 the Trust relaunched the Stadium Membership programme with a new look and more flexible products and pricing. Initial uptake of the overall programme has been strong and sales will continue on an ongoing basis.

The Trust is continuing to work closely with key hirers to collectively develop strategies to grow attendances and is developing innovative promotions with to increase PR around events and grow crowds.

The Stadium insurance renewal was completed in November 2017 but at a much higher premium than previous years. The Trust has cover at the following levels: \$200m for material damage (up from \$170m in prior year to cover inflationary provisions and the capital works programme) and \$28m for Business Interruption.

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE (\$000)	H1 Actual 31-Dec-15	H1 Actual 31-Dec-16	H1 Actual 31-Dec-17	H1 Budget 31-Dec-17	Variance* 31 Dec 17	FY Budget 30-Jun-18
Total Revenue	6,855	6,691	8,659	7,363	1,296 ✓	14,710
Opex before Interest & Depn	4,438	4,419	5,116	4,932	184 ✗	9,870
Interest & Depn	2,074	1,742	2,087	1,982	105 ✗	3,990
Net Surplus (Loss)	343	530	1,456	449	1,007 ✓	850
FINANCIAL POSITION						
Total Assets	99,756	97,596	98,428	n/a	n/a	98,970
Bank borrowings	7,500	3,300	3,000	n/a	n/a	5,000
Total Liabilities	55,372	50,944	49,147	n/a	n/a	9,070
Equity	44,385	46,652	49,280	n/a	n/a	89,900
CASH FLOWS						
Net Cash Flow	(2,585)	(466)	1,673	n/a	n/a	(60)
Opening Cash	4,332	669	120	n/a	n/a	1,010
Closing Cash On Hand	1,747	203	1,793	n/a	n/a	950

The net surplus for the six months ending 31 December 2017 is \$1,456,000 compared to a budgeted surplus of \$449,000.

Event revenues are \$1.3 million ahead of budget, offset by event expenditure being \$524,000 ahead of budget for a net positive variance of \$718,000. Much of this variance is due to results from the All Blacks test and All Whites matches being ahead of budgets. Other operating expenses were under budget by \$340,000. These are mainly timing differences.

The net surplus for the full year (excluding the Council grant toward the concourse upgrade) is projected to be \$1.1m compared to a budget of \$0.8m. While still ahead of budget, the variance is

reduced from the half year due to changes in the mix of events expected in the second half of the year, the impact of the increased insurance premium, and changes in the timing of revenue recognition from the membership programme.

EVENT DASHBOARD

✓ Achieved ✗ Not Achieved. The table contains a selection of KPIs and measures and is not a complete list.

MEASURE	H1 Actual 31 Dec 15	H1 Actual 31 Dec 16	H1 Actual 31 Dec 17	FY Target 30 Jun 18
Total event days	28 ✓	23 ✓	24 ✓	49
Attendance	213,226	200,723	190,322	n/a
Rugby event days	7 ✓	11 ✓	10 ✓	13
Attendance	54,302	141,398	88,642	n/a
NZ Lions Series: All Blacks v Lions. Super Rugby – final 2017 round robin match. Mitre 10 Cup Rugby: 5 round robin games, Semi-final & Final.				
Cricket event days	0 ✓	0 ✓	0 ✓	3
Attendance	0	0	0	n/a
n/a				
Football event days	4 ✗	3 ✗	7 ✓	10
Attendance	31,540	21,663	64,306	n/a
FIFA World Cup Qualifier: NZ v Peru. A-League (Phoenix): 6 regular season games.				
Exhibition days	14* ✓	6 ✓	9 ✓	16
Attendance	52,733*	28,262	26,073	n/a
Beervana, Travel Show, Home & Garden Show, You & Your Child Expo.				
Other sporting event days	1 ✓	0 ✓	1	3
Attendance	15,902	0	11,302	n/a
Rugby League World Cup Quarter Final: NZ v Fiji.				
Concerts / non-sporting days	2 ✓	1 ✓	0	1
Attendance	58,726	9,397	0	n/a
No concert secured for summer 17/18. Concert opportunities being pursued for 2018/19. Ice Hockey game secured for June 2018.				
Community use	4 ✓	2 ✓	4 ✓	5
Attendance	n/a	n/a	n/a	n/a
Training days for Police (x1) and Defence Force (x 2) and Walk 2 D'Feet fundraising event for Motor Neurone Disease.				

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ISSUES & OUTLOOK

No issues to note.

The full year projection is 49 event days (excluding community events). The Stadium has secured two Rugby test matches for 2018 and an Ice Hockey game is confirmed for June 2018. The Ice Hockey rink will be constructed at the southern end of the stadium, on a special platform. This will be similar to Winter Classic events held in the USA where NHL games are played in a stadium environment.

The Stadium was recently announced as the host venue for Te Matatini in February 2019. Held every two years, Te Matatini is a significant cultural festival and the pinnacle event for Māori performing arts, taking place over four days.

Attachments

Attachment 1. Wellington Regional Stadium Trust Half Year Report to 31
December 2017

Page 120

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 Regional Stadium Trust
Half yearly report to Settlers
For six months ending 31 December 2017**

The Trustees are pleased to present this report of operations for the six months ending 31 December 2017.

As outlined in the Statement of Intent, to meet its obligations under its Trust Deed the Trust pursues the key objectives of:

- Presenting a full and balanced event calendar;
- Maintaining and enhancing the facility;
- Achieving a level of profitability that finances continuing capital expenditure and meets debt repayment obligations.

In line with the objectives listed above, the Trust has developed a number of themes that form the basis of its long term planning:

1. Future Regional Venues Strategy;
2. Attracting Domestic & International Events;
3. Marketing and Branding;
4. Improving Customer Experience;
5. Building Relationships with Hirers;
6. Maximising Revenue;
7. Facility Management.

An update on each of these themes is provided below.

A tabular summary of performance measures (both financial and non-financial) is included at the end of this report.

FUTURE REGIONAL VENUES STRATEGY

Wellington City Council has allocated \$5.0 million towards a significant upgrade of the public concourse. The Trust will also contribute substantial funding to this project. In the reporting period, the Trust has continued to work with its architects and project manager and expects to commence the façade work in the next six months. More details are contained in the facilities management section.

ATTRACTING DOMESTIC & INTERNATIONAL EVENTS

We have had a busy six month period, with a variety of events. Total event days were 24 (plus four community events), and attendance was 190,322. This compares to 200,723 for the six months to December 2016.



Event	Month	Attendance
<i>Rugby</i> NZ Lions Series: All Blacks v Lions	July	37,283
Super Rugby – final 2017 round robin match	July	23,859
Mitre 10 Cup Rugby: 5 round robin games Semi-final Final	August to October	Avg 2,928 4,952 7,908
<i>Football</i> FIFA World Cup Qualifier: NZ v Peru	November	35,068
A-League – Phoenix: 6 Regular season games	October to December	Avg 4,873
<i>Rugby League</i> World Cup Quarter Final: NZ v Fiji	November	11,302
<i>Exhibitions</i> Beervana Travel Show Home & Garden Show You & Your Child Expo	August September September October	26,073

One of the event highlights during the period was the All Blacks v British & Irish Lions test on 1 July, which followed the Lions match against the Hurricanes five days earlier. Both the Test match and Hurricanes game were fully sold events, with the use of temporary seating. Operationally, these events ran very smoothly. The gates for the Test match were opened an hour earlier than usual, i.e. 3 hours before kick-off, and this made entry into the Stadium much smoother. The Lions supporters arrived at the venue early and made up a large percentage of the crowd. Planning for these events, on a citywide and venue level started over a year prior and it was good to see both events running very much to plan.

The other fully sold event during the period was the All Whites v Peru FIFA World Cup qualifier match in November. It was fantastic once again to host a football event in a full stadium (with extra temporary seats) on a sunny Saturday afternoon. The hosting rights for this game were secured after a competitive tender process run by NZ Football and the Trust was pleased to deliver a highly successful event, both operationally and financially, for the hirer. The Trust worked closely with WREDA in the bid to secure this event.

A week after the All Whites game, we hosted a quarter final match in the 2018 Rugby League World Cup with New Zealand playing Fiji. This was attended by almost 12,000 people and again operationally went very well.



Mitre 10 Cup Rugby attendances averaged 2,928 for the round robin games, a slight increase on last year. This year the Wellington Lions hosted both a home semi-final and the final, and won the Mitre 10 Championship Cup, with promotion back to the Premiership.

There were six Phoenix games in the period, with average attendance of 4,873. This is below the prior season average of 5,359.

Regular exhibitions held during the period were Beervana and the Home and Garden Show. We also hosted a Travel Show and the You and Your Child Expo.

Upcoming events

The announcement of the Ice Hockey match between USA and Canada on 23 June has been well received. This is a week after the first of two All Blacks matches being played here in 2018, with a game against France on 16 June.

Our regular line up of sporting fixtures continues with the Phoenix, three international cricket games, Super Rugby, and exhibitions.

The Stadium was recently announced as the host venue for Te Matatini in 2019. Held every two years, Te Matatini is a significant cultural festival and the pinnacle event for Māori performing arts, taking place over four days.

The Trust continues to work with hirers and promoters to secure a strong pipeline of major events in coming years.

MARKETING & BRANDING

The Stadium's digital assets play an integral role in patron engagement whilst reinforcing the overall marketing strategy to enhance our business objectives.

With a content strategy supporting hirer promotions and Stadium activities, our Social Media community engagement continues to show steady organic growth on all core Stadium digital channels. Facebook is at 12,280 followers with over 12,480 page likes, Twitter is over 7,000, and Instagram is just over 2,400. We also provide regular content to a secondary tier of channels: YouTube, LinkedIn, Google + along with online advertising through channels such as Neighbourly. All activity is directed at encouraging further followers as well as retention of our current online audience.

Twitter, Facebook and Instagram are a vital component of event day communications and patrons regularly use social media to engage with the Stadium when attending events. These channels give attendees a direct link to the Stadium allowing us to respond quickly, especially if issues arise.

Website traffic continues to be driven by users searching for event, Stadium and seat information. The monthly average site visits for July-Dec 2017 was 19,241. Mobile usage has increased with traffic frequently overtaking desktop views - the Stadium Wi-Fi has contributed to this increase. We continue to review the website to ensure the user experience is easy and engaging, and are looking at a rebuild of the content management system in 2018 to ensure stability of the site and to keep up to date with the ever-changing digital landscape.



Our monthly fan eNewsletter has a regular audience resulting in a consistent 35-40% open rate per month. Incentives and competitions result in regular engagement with readers, and this channel serves as a useful communication tool for event announcements and Stadium updates.

A soft launch of the Stadium's new free Wi-Fi took place at the NZ Lions Series Test match with the official launch at the Hurricanes v Crusaders match on 15 July. The test match saw nearly 1 TB of data transferred on the network with nearly 10,000 fans accessing it on the evening. Over 30,000 patrons have accessed the stadium Wi-Fi in the first 6 months.

The Trust is now working on building a stadium app as well as commercialising these new digital assets with a view to driving new revenue streams.

IMPROVING CUSTOMER EXPERIENCE

As reported in our last six monthly report, we have put the monthly survey process on hold until the concourse upgrade has been completed. We continue to actively respond to feedback and complaints received.

BUILDING RELATIONSHIPS WITH HIRERS

We continue to work as closely as ever with our key hirers to collectively develop strategies to grow attendances. We are developing innovative promotions with our hirers to increase PR around events and grow crowds.

MAXIMISING REVENUE /FINANCIAL RESULTS

The net surplus for the six months ending 31 December 2017 is \$1,456,000 compared to a budgeted surplus of \$449,000.

Event revenues are \$1.3 million ahead of budget, offset by event expenditure being \$524,000 ahead of budget for a net positive variance of \$718,000. Much of this variance is due to results from the All Blacks test and All Whites matches being ahead of budgets. Other operating expenses were under budget by \$340,000. These are mainly timing differences.

The net surplus for the full year (excluding the Wellington City Council grant toward the concourse upgrade) is projected to be \$1.1m compared to a budget of \$0.8m. While still ahead of budget, the variance is reduced from the half year due to changes in the mix of events expected in the second half of the year, the impact of the increased insurance premium, and changes in the timing of revenue recognition from the membership programme.

Payment of the grant is based on progress of the concourse upgrade, and this will not be as far advanced as we had thought at the time the budget was completed, hence we now expect this grant income to be received in future years. The timing of the concourse upgrade also impacts the expected loan balance and forecast capital expenditure for the year.



MEMBERSHIPS

In October 2017 we relaunched the Stadium Membership programme with a new look and more flexible products and pricing. The full 360 Reserve membership is now available for \$995 per year (2 or 3-year terms) and we introduced the Lounge Pass option for \$395 per year, allowing fans to use the Members Club (with the separate purchase of an entry ticket). Initial uptake of the overall programme has been strong and sales will continue on an ongoing basis.

FACILITY MANAGEMENT

The main focus has been continuing work on the concourse upgrade. During the six months to December 2017 we have continued to work closely with our architects, Populous, and Project Managers, RCP, to develop concepts and finalise designs, specifications and meet legislative requirements.

The façade upgrade is the single biggest element of the wider concourse upgrade project. Our primary focus has been to progress this aspect to the consent and approval stage and to schedule works through 2018 around our busy events schedule, while continuing to develop the overall final design and specifications for the other elements of this project.

Resource Consent and Building Consent applications for the façade upgrade have been submitted to Wellington City Council and approvals were granted in January 2018. The initial engineering, surveying for the façade steel work, and glazing is due to commence February 2018 with installation to follow later in the year.

The five yearly physical asset status review is currently underway.

ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

Health & Safety

The Board receives regular detailed Health and Safety reports from management. Good progress is being made on continuous improvement to our health and safety practices, including work with the many contractors, hirers and other users of the Stadium. The Board's Health & Safety sub-committee has been actively involved in the review and approval of updated policies and practices to address a range of safety scenarios that could arise in the period leading up to event days as well as during an event.

A new Stadium safety video was launched recently providing patrons with information about what to do in a range of scenarios. The video conveys important safety messages using a style similar to that adopted by Air New Zealand and has been well received.

Trustees & Staffing

After many years of service to the Stadium Trust, Sue Elliott completed her term as a Trustee on 31 December 2017. Tracey Bridges has been appointed from 1 January.

A new Facilities Manager started in August 2017.



Earthquakes

With the knowledge gained from the performance of the building on the November 2016 earthquake, we continue to work with our engineers to improve the resilience of the building.

Insurance

Our insurance renewal was successfully completed in November 2017 but at a much higher premium than previous years. We have cover at the following levels: \$200m for material damage (up from \$170m in prior year to cover inflationary provisions and the capital works programme) and \$28m for Business Interruption.

CONCLUSION

During the last six months we have:

- Provided residents of the region and visitors with a wide range of events to attend, including the British & Irish Lions tour matches, the All Whites game and the Rugby League Quarter Final.
- Continued work on major infrastructure projects to enhance the Stadium facility and experience
- Exceeded financial targets for the period

We look forward to building on this work over the next six months, with some exciting events ahead, as well as our regular offerings of Cricket, Test and Super Rugby, Football, and exhibitions, and the start of construction work on the concourse upgrade.

John Shewan
Chairman
February 2018



Non-Financial Performance Measures

Measure	How Measured	Progress for six months to 31 Dec 2017
<ul style="list-style-type: none"> Deliver a strong Rugby international test programme for 2018 and 2019 	<ul style="list-style-type: none"> Key stakeholders are satisfied with management of the test operation Sell-out crowds for test matches 40% out of region visitors At least two test matches over the period 2018 and 2019. (Note: only two test matches in NZ in 2019 due to RWC 2019) 	<ul style="list-style-type: none"> Two Rugby test matches confirmed for 2018
<ul style="list-style-type: none"> Deliver more large scale non-sporting events 	<ul style="list-style-type: none"> Secure at least one concert per year Secure at least two other events outside the traditional rugby and football regular season calendar per year 	<ul style="list-style-type: none"> No concert secured for summer 17/18. Concert opportunities being pursued for 2018/19 Ice Hockey game secured for June 2018 Te Matatini confirmed for Feb 2019
<ul style="list-style-type: none"> Continued investment in stadium infrastructure 	<ul style="list-style-type: none"> Stadium technology deployed successfully To develop a stadium app that features a number of enhancements to the fan experience Concourse upgrade commences and is 50% complete 	<ul style="list-style-type: none"> Stadium Wi-Fi deployed Stadium app is under development Upgrade works scheduled to commence in February 2018
<ul style="list-style-type: none"> Deliver a full event calendar 	<ul style="list-style-type: none"> Securing 45-50 event days per year. (Excludes community events). 	<ul style="list-style-type: none"> Full year projection is 49 (excluding community events)
<ul style="list-style-type: none"> Host unique events that deliver economic benefit to the region 	<ul style="list-style-type: none"> Maintaining economic benefit to the Region at an average of \$40 million per year Working with promoters to deliver special events to Wellington 	<ul style="list-style-type: none"> All Whites v Peru match secured and successfully held.



<ul style="list-style-type: none"> Continue to enhance food and beverage offering 	<ul style="list-style-type: none"> Greater range and quality of offerings Higher customer satisfaction in research 	<ul style="list-style-type: none"> New caterer appointed from April 2018
<ul style="list-style-type: none"> Improved fan experience and hirer satisfaction 	<ul style="list-style-type: none"> To achieve a net satisfaction score above 80% for major sports and entertainment events. To achieve a net satisfaction score above 70% for all other sporting events. To develop an action plan for areas identified for improvement in our event surveys To develop an accessibility improvement plan 	<ul style="list-style-type: none"> Monthly Surveys on hold pending Concourse upgrade. Will report on Gemba New Zealand wide venue survey in June 18 report. Be Accessible – gold certification, ongoing improvement plans being developed

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Wellington Regional Stadium Trust
Key Performance Indicators

FINANCIAL	Actual			Budget			YTD Variance	
	1st half	2nd half	Total	1st half	2nd half	Annual	Reforecast	YTD Variance
	31-Dec-17	30-Jun-18	YTD	31-Dec-17	30-Jun-18	Budget	Budget	31-Dec-17
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	%
Event revenue	4,732		4,732	3,490	3,445	6,935	7,863	1,242 36%
Total income	8,659		8,659	7,363	7,352	14,715	15,762	1,296 18%
Net surplus (before cap exp grant)	1,456		1,456	449	403	852	1,141	1,007 (224%)
Total surplus (inc grant)	1,456		1,456	449	2,153	2,602	1,441	1,007 (224%)
Net cashflow movement	1,673		1,673	357	(421)	(64)	0	1,316 369%
Net bank debt	1,207		1,207	(3,633)	(4,054)	(4,054)	(2,053)	(4,840) 133%
Liquidity Ratio (Current Assets to Current Liabilities)	0.86		0.86	0.78	0.63	0.63	0.56	
Bank borrowing to Total Assets	3.05%		3.05%	5.11%	5.14%	5.14%	3.09%	
Stadium Enhancements (Capex)	862		862	1,830	3,981	5,811	1,964	(968) (53%)

Wellington Regional Stadium Trust
Key Performance Indicators

EVENTS	<i>1st half Actual 31-Dec-17</i>	<i>2nd half Actual 30-Jun-18</i>	<i>Total Actual YTD</i>	<i>1st half Budget 31-Dec-17</i>	<i>2nd half Budget 30-Jun-18</i>	<i>Total Budget</i>	<i>Reforecast Budget</i>	<i>YTD Variance 31-Dec-17</i>	
Events held during period									
Rugby	9		9	7	6	13	16		
Cricket	0		0	0	3	3	3		
Football	7		7	6	5	11	12		
Other Sport	1		1	1	1	2	2		
Concerts/Other events	0		0	0	1	1	0		
Exhibition Days	7		7	7	9	16	16		
Total events	24	0	24	21	25	46	49	3	14%
Community events	4		4	2	3	5	5		
Total events (days)	28	0	28	23	28	51	54	5	22%
Total numbers attending	190,322		190,322						

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*Wellington Regional Stadium Trust
Statement of Financial Performance
For the Six Months Ending 31 December 2017*

	<i>Actual YTD \$000s</i>	<i>Budget YTD \$000s</i>	<i>Variance \$000s</i>	<i>Annual Budget \$000s</i>	<i>31-Dec-16 Actual 6 months</i>
Operating Revenue					
Event Revenues	4,732	3,490	1,242	6,935	2,914
License Fees & Sponsorship	2,375	2,344	31	4,821	2,330
Interest income	1	7	(6)	16	2
Sundry income	1,551	1,522	29	2,943	1,445
Total Revenue	8,659	7,363	1,296	14,715	6,691
Operating Expenses					
Event	2,031	1,507	(524)	2,981	1,257
Other operating expenses	3,085	3,425	340	6,892	3,162
	5,116	4,932	(184)	9,873	4,419
Operating Surplus before Depreciation and Interest	3,543	2,431	(1,112)	4,842	2,272
Depreciation	1,996	1,829	(167)	3,690	1,652
Interest	91	153	62	300	90
Net Operating Surplus	1,456	449	1,007	852	530
Grant towards capital expenditure	0	0	0	1,750	0
Total Surplus	1,456	449	1,007	2,602	530

Wellington Regional Stadium Trust
Statement of Financial Position
As at 31 December 2017

	31-Dec-17 \$000's	30-Jun-17 \$000's
Trust Funds		
Accumulated Surplus	49,280	47,823
Limited Recourse Loans		
Wellington Regional Council	25,000	25,000
Wellington City Council	15,000	15,000
Wellington City Council - Accrued Interest	395	395
Total Trust Funds & Limited Recourse Loans	<u>89,675</u>	<u>88,218</u>
Non Current Liabilities		
Term Loans	3,000	4,300
Revenue in Advance	827	787
Total Non Current Liabilities	<u>3,827</u>	<u>5,087</u>
Current Liabilities		
Payables & Accruals	1,066	1,513
Revenue in Advance	3,859	2,896
Total Current Liabilities	<u>4,925</u>	<u>4,409</u>
Total Funding	<u>98,428</u>	<u>97,715</u>
Represented by:		
Non Current Assets		
Fixed Assets	94,169	95,233
Total Non Current Assets	<u>94,169</u>	<u>95,233</u>
Current Assets		
Cash	1,793	120
Receivables & Prepayments	2,466	2,362
Total Current Assets	<u>4,259</u>	<u>2,481</u>
Total Assets	<u>98,428</u>	<u>97,715</u>

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

<i>Wellington Regional Stadium Trust</i>	6 mths	6 mths
<i>Statement of Cash Flows</i>	31-Dec-17	31-Dec-16
<i>For the six months ended 31 December 2017</i>	\$000's	\$000's
Operating activities		
<i>Cash was provided from:</i>		
Event and operating income	5,810	3,787
License fees and sponsorships	3,125	2,502
Interest received	1	2
Goods and services tax (net)	284	302
Sundry income	1,569	1,388
	<u>10,789</u>	<u>7,981</u>
<i>Cash was applied to:</i>		
Payments to suppliers and employees	(6,677)	(5,225)
Event advance	0	(1,231)
Interest paid	(111)	(124)
	<u>(6,788)</u>	<u>(6,580)</u>
Net cash inflow from operating activities	4,001	1,401
Investing activities		
<i>Cash was provided from:</i>		
Disposal of fixed assets	3	6
<i>Cash was applied to:</i>		
Purchase of fixed assets	(1,031)	(1,173)
Net cash outflow from investing activities	(1,028)	(1,167)
Financing activities		
<i>Cash was provided from:</i>		
Drawdown of loans	0	0
<i>Cash was applied to:</i>		
Loan repayments	(1,300)	(700)
Net cash inflow from financing activities	(1,300)	(700)
Net increase (decrease) in cash held	1,673	(466)
Cash at beginning of the period	120	669
Cash at the end of the period	<u>1,793</u>	<u>203</u>
<i>Composition of cash:</i>		
Cash at bank	1,793	203
	<u>1,793</u>	<u>203</u>

DRAFT STATEMENTS OF INTENT FOR COUNCIL CONTROLLED ORGANISATIONS

Purpose

1. To receive and consider the draft 2018/19 Statement of Intent (SOI) for 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

Summary

2. Officers have reviewed the draft SOI for each CCO and assessed that each draft SOI has addressed the issues raised by the respective letter of expectation. Some changes are recommended to the sub-committee and, subject to its approval of these changes and any further items raised by the sub-committee, the sub-committee's views will be communicated to each CCO so it can prepare its final SOI to be presented to this sub-committee at its meeting on 30 May 2018.

Recommendations

That the Council Controlled Organisations Subcommittee Sub-committee:

1. Receive the information.
2. Note any items raised by the sub-committee to be addressed by the Council Controlled Organisations in a final Statement of Intent.
3. Agree that the Basin Reserve Trust, the Karori Sanctuary Trust, Wellington Cable Car Limited, the Wellington Museums Trust, the Wellington Regional Stadium Trust and the Wellington Zoo Trust will develop a final Statement of Intent for 2018/19 so as to address the items raised in this report and any further items raised by the committee and will work with Council officers to achieve this.

Background

3. Under the Local Government Act 2002, CCOs are required to submit a draft SOI to the Council by 1 March in the previous financial year. As a matter of good practice, the Council precedes this with a letter of expectation to each entity, which outlines the Council's expectations in respect of the SOI it will receive.
4. The draft SOI process provides both the Council and the CCO with an opportunity to fine-tune respective expectations ahead of submitting a final SOI for approval.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

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-
5. The letter of expectation for each entity was agreed by this sub-committee on 11 December 2017 and a draft SOI has been received from each CCO.
 6. The draft 2018/19 SOI for Wellington Water Limited will be considered by the Wellington Water Committee.

Discussion

7. Officers have reviewed the draft SOI received from each entity and acknowledge that they respond constructively to the respective letter of expectation.
8. Officers will work with individual CCOs to address items raised in this report and any further items raised by the sub-committee in each entity's final SOI which will be presented to this sub-committee at its meeting on 30 May 2018.
9. The following pages include summary details of each entity's draft SOI plus, where appropriate, recommendations for certain points to be addressed in the final SOI.
10. Draft SOIs are appended to this report.

11. Basin Reserve Trust

OFFICER SUMMARY

The Basin Reserve Trust has presented its draft Statement Of Intent for 2018/19 (SOI) and it responds positively to the sub-committee's letter of expectations. The Trust delegates the daily operation of the Basin Reserve to Cricket Wellington under a management agreement between the parties.

The Trust observes the progress achieved by Council to date in terms of the Master Plan for the Basin Reserve and anticipates the completion of various work programmes within the Master Plan during 2018/19 and beyond. The relationship between Cricket Wellington (as the Trusts management agent for the ground) and Council is strong and communication is regular, particularly with the Master Plan works underway. The Trust is committed to fundraising to support Councils investment in the Basin Reserve and to ensure all planned projects can be adequately funded.

The Basin continues to be the only first-class ground in the Wellington region and is still one of the most utilised venues for cricket throughout the season; this includes the hosting of international fixtures in addition to a full domestic programme. The Trust aims to retain the Basin Reserve's status as *'the premier cricket venue in New Zealand'*.

Cricket Wellington successfully hosted the West Indies Test Match in December as well as two One-Day International fixtures against Pakistan in January. The international activity complimented another full schedule of domestic cricket, including two Plunket Shield fixtures being played in October for the first time (in recent memory) due to the early preparation of the wicket block.

In terms of cricket in 2018/19, Sri Lanka, Bangladesh and India will tour New Zealand. Below the international level, domestic cricket will see a full programme of all Wellington Firebirds First-Class, List-A and Twenty 20 fixtures in addition to Wellington Blaze matches played at the Basin.

The Trust is working with the Wellington Regional Economic Development Agency (WREDA) events team to ensure a steady stream of non-cricket event bookings that complement an already busy schedule. In December 2017 the ground hosted the Beers at the Basin event which was very favourably received and attended by 5,500 patrons. The Trust is working on other complimentary (non-cricket) events for 2018/19 and beyond and the SOI targets reflect a steady increase in utilisation for non-cricket events.

In the winter months Wellington Rugby will continue to utilise the ground for Junior Rugby on Saturdays, while Capital Football will run Junior Football on Sundays. This enables the Basin to maximise usage of the venue all year round, with an average of twelve games played per weekend across both codes, as opposed to one senior game.

The Trust is committed to ensuring it continues to provide significant opportunities at the grassroots level for all community and junior sport. This is highlighted by the ground hosting club, secondary school and primary school cricket finals across both male and female competitions. This ensures that the ground is available for a wide range of users and that the Basin Reserve can be enjoyed by everyone. The Trust also continues to nurture relationships with other sporting codes, such as athletics which saw a 'Night of Miles' event return to the venue in December, to establish the ground as a multi-purpose facility.

The Women's Cricket World Cup is being hosted by New Zealand in 2021 and the Trust is committed to working alongside WREDA and NZ Cricket to secure a strong programme for Wellington.

To date, the Trust has not secured a naming rights sponsor for the Basin Reserve and while this is contrary to some of its earlier commitments and expectations in relation to this matter a suitable sponsor will be secured in response to the delivery on the Master Plan work programmes. The Trust has engaged a consultancy to secure a naming rights sponsor for the Basin Reserve and expects to conclude this prior to the 2018/19 cricket season.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 4 APRIL 2018

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SUMMARY FINANCIALS (\$000)

FINANCIAL PERFORMANCE (\$000)					
	Actual	Forecast	Draft SOI	Draft SOI	Draft SOI
30 JUNE	2017	2018	2019	2020	2021
Total Revenue	931	980	999	992	931
Opex before Depreciation	170	197	175	149	170
Depreciation	117	120	130	135	117
Net Surplus (Loss)	53	77	45	14	53
FINANCIAL POSITION					
Total Assets	751	786	846	861	751
Total Liabilities	106	63	78	80	106
Equity	645	722	767	781	645
CASH FLOWS					
Total Net Cash Flows	23	10	25	30	23
Opening Cash	28	50	60	86	28
Closing Cash	50	60	86	116	50

The Trust's financial forecasts show steady strengthening of its sound financial position.

In future, the Trust will 'hand back' to Council the ongoing maintenance and renewals responsibility for Council's assets at the Basin Reserve. This transition will align with Council's delivery of various work programmes within the Master Plan and the related funding impacts between the Trust and the Council will be addressed then. At this stage, the SOI forecasts do not accommodate potential funding changes but as progress on the works is advanced, any funding changes will be addressed in future SOIs.

Offices note the budgeted revenue of \$80k per annum for naming rights and believe this to be a conservative estimate and we would expect a better outcome. Officers will work with the Trust to understand the position and ensure the forecast financial statements are not overly conservative.

KEY PERFORMANCE INDICATORS

Key Performance Indicators focus on the utilisation of the Basin Reserve. Officers consider the KPIs to be satisfactory for this purpose.

	Actual	Forecast	Draft SOI	Draft SOI	Draft SOI
30 JUNE	2017	2018	2019	2020	2021
Number of event days					
Cricket events (days)	36	38	38	38	
Other sports events (days)	9	20	20	24	
Practice facility usage (days)	147	100	100	100	
Community events (days)	14	13	13	13	
Functions (days)	n/a	17	18	21	
Numbers attending events	37,336	40,000	41,000	42,000	

The interior upgrade of the RA Vance Stand was completed in Quarter 1 of 2017/18. With the refurbishment complete, the Basin Reserve is now enjoying much improved bookings as a functions venue. However, the forecast utilization appears overly conservative in this draft SOI. Officers will

KEY PERFORMANCE INDICATORS

work with the Trust to establish updated function targets for the final SOI reflecting the opportunity the upgraded facilities provide.

The final SOI will include forecasts for the year ended 30 June 2021 for all KPIs.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 4 APRIL 2018

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12. Karori Sanctuary Trust

OFFICER SUMMARY

The Karori Sanctuary Trust (trading as ZEALANDIA) has presented its draft Statement of Intent for 2018/19 (SOI) and it responds positively to the sub-committee's letter of expectation. The SOI is a comprehensive document that clearly articulates the Trust's intentions to continue to meet the enduring expectations of Council and to maintain the Trust's alignment with relevant Council policies and strategies.

In the last two financial years, ZEALANDIA welcomed over 125,000 visitors and expects to host over 111,000 visitors in the current financial year ended 30 June 2018. Forecast visitor numbers beyond the current year show steady but modest year on year growth but are tempered below the current year and prior year's achievements. Officers agree with the Trust that the SOI forecasts are an acceptable balance given the recent and rapid increases on prior year's visitation figures.

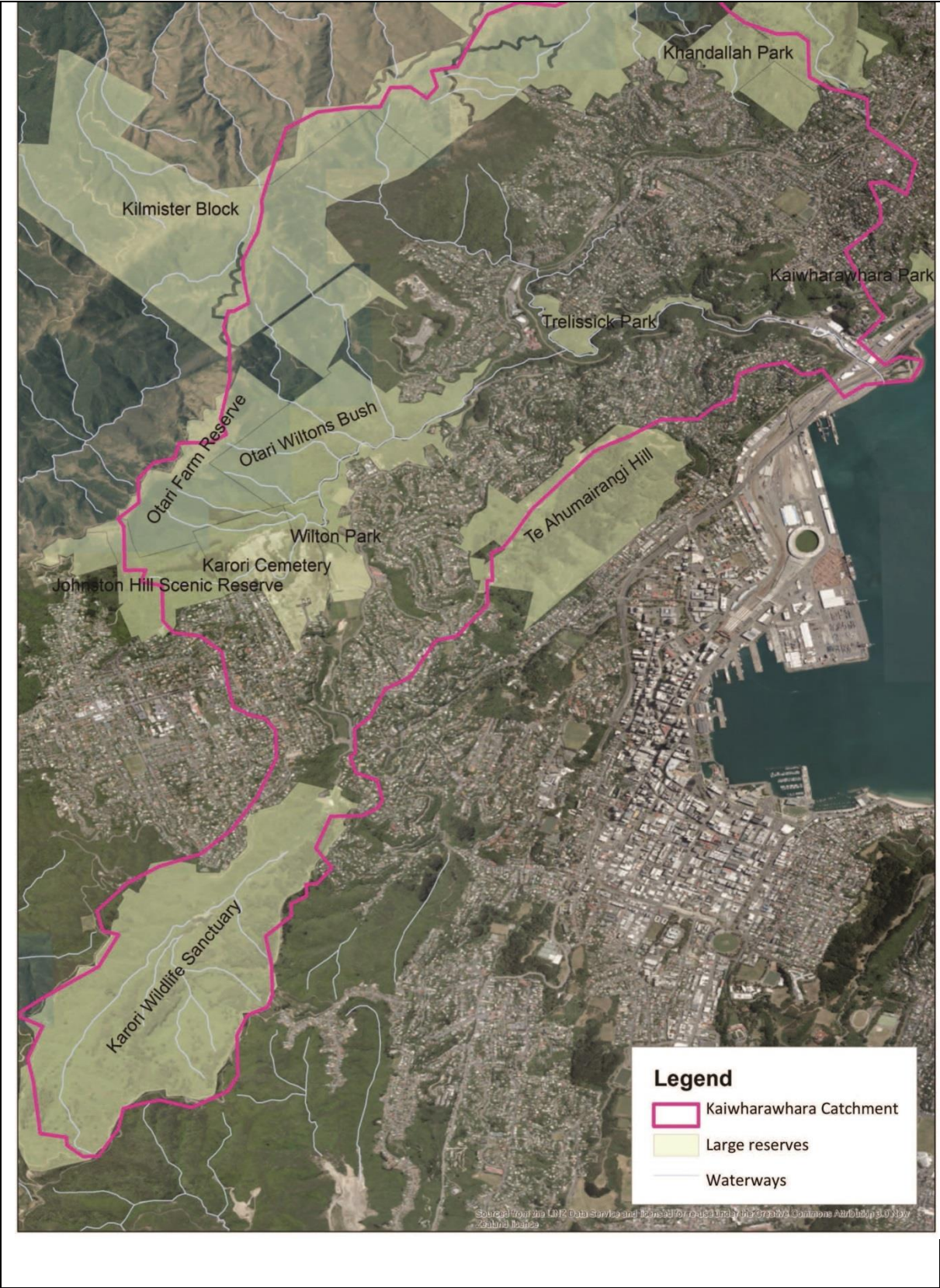
As visitor numbers grow ZEALANDIA will continue to develop plans to utilise the Visitor Centre and other buildings to maximum effect and to support its research and education programmes, visitor experiences, strategic partnerships, and commercial activities. In 2018/19 ZEALANDIA plans to glaze in the Rata Café balcony to improve café utilisation and create a year-round space suitable for corporate and community functions and events.

Additional work space for staff, volunteers, researchers and interns is needed and the Trust is working with Council on an immediate solution which will see the Brierley Pavilion relocated from the Basin Reserve to a site on Waiapu Road opposite ZEALANDIA's current administration building. This building is expected to be relocated and commissioned before 30 June.

Council has included a proposal to partially fund the development of a longer term accommodation solution in the draft 2018-28 Long Term Plan. This project will require a significant fund raising effort by the Trust to support Council's proposed investment.

ZEALANDIA is growing its engagement with Predator Free Wellington from support of local community groups through to a key role in the reintroduction of native biodiversity to predator-free areas. ZEALANDIA also leads the schools programme for this project, working with local schools to develop tracking, trapping and monitoring programmes in their own communities.

ZEALANDIA's Sanctuary to Sea project aims to improve fish habitats throughout the Kaiwharawhara catchment, enhance fish migration and improve forest corridors for birds leaving the sanctuary. This is an audacious undertaking outside the sanctuary fence and will make further significant progress in 2018/19, drawing-in a wide range of partner organisations, community groups, and local schools. The project starts within the sanctuary with the rehabilitation of the Karori lower reservoir.



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 4 APRIL 2018

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SUMMARY FINANCIALS

In recent years the Trust's financial performance has improved markedly in response to its improved operational performance and this is demonstrated by the growing strength of the Trust's cash reserves. This marks a significant turnaround in the overall financial sustainability of the Trust and positions ZEALANDIA well to deliver on its own programmes and strategic alignments with Council.

FINANCIAL PERFORMANCE (\$000)					
	Actual 2017	Forecast 2018	Draft SOI 2019	Draft SOI 2020	Draft SOI 2021
30 JUNE					
Total Revenue	4,465	5,010	4,815	4,912	5,011
Opex before Depn	3,814	4,483	4,491	4,581	4,673
EBITDA*	651	527	325	331	338
Net Profit (Loss)	(219)	(34)	(269)	(259)	(252)
FINANCIAL POSITION					
Total Assets	4,667	4,606	4,300	4,051	3,809
Total Liabilities	815	786	750	760	770
Equity	3,853	3,819	3,550	3,291	3,039
CASH FLOWS					
Total Net Cash Flows	(11)	0	276	331	343
Opening Cash	241	230	230	506	837
Closing Cash	230	230	506	837	1,180

*Earnings before Interest, Tax, Depreciation & Amortisation.

Revenue forecasts from 2019 are tempered along with the Trust's visitor number forecasts as the Trust consolidates upon its recent strong performances in 2016 and 2017. This is a pragmatic response to the recent turnaround achieved by Zealandia and it is appropriate. That said, the Trust is forecasting EBITDA exceeding \$300k per annum which is achieved by careful management of its operating costs and marks the significant turnaround in its financial sustainability.

KPI DASHBOARD

The tables contain a selection of KPIs and not a complete list.

	Actual 2017	Forecast 2018	Draft SOI 2019	Draft SOI 2020	Draft SOI 2021
30 JUNE					
Non-financial					
Visitors	125,179	111,210	99,300	102,200	105,200
Individual members	10,944	11,245	10,800	11,000	11,200
Students & education visits	11,621	8,650	8,800	8,800	8,800
Satisfaction rating	95%	>92%	>95%	>95%	>95%
Volunteer numbers	556	>430	>450	>470	>490
Financial					
Full cost per visitor*	\$11.23	\$18.78	\$18.35	\$18.23	\$18.11
Average subsidy per visit**	\$6.99	\$9.07	\$8.80	\$8.54	\$8.28
Average revenue per visit***	\$28.01	\$26.22	\$26.48	\$26.74	\$27.01
Non-Council donations & funding	\$419,019	\$265,000	\$270,000	\$275,000	\$280,000

* incl. WCC costs

KPI DASHBOARD

*** total WCC operating grant/visitors*

**** excl. grants & interest*

The Trust's financial KPIs are conservative. At present, the Trust takes a more conservative approach to its forecasting than in prior years when forecasts were overly optimistic. Given the Trust is continuing to rebuild ZEALANDIA's reputation this approach is appropriate. It is well understood that the underlying performance is sound and building strongly and the Trust's quarterly reporting demonstrates this.

Conservation Measures

30 June	2018	2019	2020	2021
Restore species to the wild in accordance with the restoration strategy				
Number of new animal species transferred	0	1	0	1
Percentage of transferred animal species regarded as self-sustaining	79%	73%	70%	70%
Maintain or Improve the population status of nationally threatened species present				
Number of threatened species present and breeding successfully	4	4	4	4
Manage species held for captive breeding purposes to ensure they remain healthy and breed successfully				
Number of species breeding in captivity	2	2	2	2
Monitor animal pest status, control mice & successfully respond to any incursions				
Mice maintained at levels below or similar to previous years	<10	<10	<10	<10
Percentage of pest animal incursions successfully eradicated	100%	100%	100%	100%
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	44	44	44	44
Number of pest plant species where control has achieved a decline to low levels of infestation in the sanctuary	53	53	53	53

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 4 APRIL 2018

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13. Wellington Cable Car Limited

OFFICER SUMMARY

The Wellington Cable Car Limited has presented its draft Statement of Intent for 2018/19 (SOI) and it responds positively to the sub-committee's letter of expectations.

The company is undergoing a significant planned change to a core activity, with the cessation of trolley bus services and decommissioning of the overhead network from late 2017.

The practical decommissioning of the Trolley Bus overhead electrical network commenced in October 2017. Practical completion is expected before December 2018. Some of the remaining physical infrastructure (poles and building anchors) will be transferred to Council on or before 30 June 2019.

The company is planning to increase Cable Car fares in preparation for funding the replacement of the rolling stock in approximately 10 years.

In recent years, the visitor experience has been enhanced with the development of the Cable Car terminus in Kelburn, the addition of tunnel lights and the refurbishment of Cable Car lane. A 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 company is encouraged to continue to identify opportunities to further enhance the visitor experience and the final SOI will be improved by committing to engage with the Wellington Regional Development Agency Ltd to identify pro-active actions that would enhance the overall visitor experience.

SUMMARY FINANCIALS

FINANCIAL PERFORMANCE (\$000)					
	Actual	Forecast	Draft SOI	Draft SOI	Draft SOI
30 JUNE	2017	2018	2019	2020	2021
Total Revenue	7,257	9,517	6,260	3,628	3,682
Operating Surplus/Deficit	533	9,032	5,550	3,001	3,125
Tax & Subventions Payments	158	142	206	183	164
Surplus/(Loss)	375	343	504	444	393
FINANCIAL POSITION					
Total Assets	12,183	11,429	11,424	11,848	12,078
Total Liabilities	2,458	1,362	853	833	670
Equity	9,725	10,067	10,571	11,016	11,408
CASH FLOWS					
Total Net Cash Flows	448	218	497	374	231
Opening Cash	1,806	2,556	2,773	3,271	3,645
Closing Cash	2,254	2,773	3,271	3,645	3,875

The company's revenues decline after 2019 following the decommissioning of the overhead network and reflect the 'new normal' state for the company when it operates the Cable Car business alone.

The company has strong and growing cash reserves which positions the business well to fund the upcoming replacement of the rolling stock.

KPI DASHBOARD

The tables contain a selection of KPIs and not a complete list.

30 JUNE	Actual 2017	Forecast 2018	Forecast 2019	Forecast 2020	Forecast 2021
Passengers	970,336	1,113,162	1,135,246	1,143,856	1,160,912
*Fare income (\$000)	\$2,480,552	\$3,050,592	3,520,749	3,550,867	3,602,671
Passenger Satisfaction					
Local passengers: use Cable Car at least 1x per year	n/a	50%	52%	54%	56%
Tourist passengers: rate experience >6 on scale of 1 – 10	n/a	90%	91%	92%	93%

** This is not a KPI.*

The company introduced a Cable Car customer satisfaction measure (KPI) to replace the Council's Residents Awareness Survey in its last SOI. The satisfaction survey is a welcome move by the company toward understanding more about its performance in delivering this core activity.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 4 APRIL 2018

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14. Wellington Museums Trust

OFFICER SUMMARY

The Wellington Museums Trust (trading as Experience Wellington) has presented its draft Statement of Intent for 2018/19 (SOI) and it responds positively to the sub-committee's letter of expectations. The SOI provides a well presented outline of Experience Wellington's key focus areas and performance measures.

Council's enduring expectation that the Trust will achieve a break-even budget after fully funding depreciation is challenged by on-going cost increases associated with delivering the City Gallery's programme and the 2019 Capital E National Arts Festival for Children. As a result Experience Wellington is forecasting that it will make a loss of \$44k in 2018/19 and return to breakeven again in 2019/20 and 2020/21. The Trust will continue to rely on the Council's underwrite for Space Place – which is included in the \$44k deficit and subsequent breakeven years. Officers do not view this as a significant departure from the breakeven expectation.

The SOI presents a full programme of activity which in 2018-19 will include the ninth Capital E National Arts Festival for children and the third Roxy5 Short Film Competition which is now supported by the Ministry for Youth Development. Capital E will also bring Maker Faire to Wellington which is a new science fair experience providing hands-on engagement for all ages. In other programming;

- Wellington Museum and City Gallery will contribute to the Suffragettes anniversary programme marking 125 years since women were first entitled to vote in New Zealand.
- Experience Wellington will open a new experience at the Nairn Street Cottage,
- The Space Place programme will include a new artist-led planetarium project on climate change and Antarctica.
- City Gallery's programme includes the exhibition *Palindrome* exploring the work of Patrick Pound, an exhibition entitled *The Iconography of Revolt* which considers what happens when revolutionary politics and fashion meet; and a major exhibition of the work of Theo Schoon who plays a key role in contemporary cultural discourse.
- Experience Wellington will continue its commitment to the celebration of Matariki which will include Matariki Dawn and star gazing at Space Place, the continuation of its partnership with Chamber Museum New Zealand at Wellington Museum and other events aimed at showcasing Wellington during Matariki in June 2019.

Experience Wellington has proposed a refinement of some of its performance measures and to provide details in the 2019/20 SOI. The Trust's final SOI should acknowledge that it will retain its current suite of performance measures but could provide additional measures as agreed with Council.

The Trust lists five priority projects, including increasing the size of the Cable Car Museum. At this point in time, this project is not a Council priority and the final SOI should acknowledge this.

The Trust notes that the 2019 Capital E National Arts Festival relies on fundraising, including \$100k from the Wellington Regional Amenities Fund (WRAF). The WRAF fund is competitive and Experience Wellington notes that it would be difficult to replace and not securing this could jeopardise the Festival.

The SOI notes the potential impact from the Town Hall works on the City Gallery. While Council acknowledges the risk it would like to better understand the challenge to Experience Wellington and any mitigations in the final SOI.

SUMMARY FINANCIALS

FINANCIAL PERFORMANCE (\$000)		Actual	Forecast	Draft SOI	Draft SOI	Draft SOI
30 JUNE		2017	2018	2019	2020	2021
Total Revenue		13,653	12,615	13,156	13,004	13,702
Opex before Depreciation		13,329	12,049	12,652	12,454	13,152
Depreciation		548	566	548	550	550
Net Surplus (Loss)		(224)	0	(44)	0	0
FINANCIAL POSITION						
Total Assets		6,092	6,084	6,080	6,080	6,080
Total Liabilities		1,578	1,570	1,610	1,610	1,609
Equity		4,514	4,514	4,470	4,470	4,470
CASH FLOWS						
Total Net Cash Flows		(843)	0	(50)	0	0
Opening Cash		1,722	880	880	830	830
Closing Cash		880	880	830	830	830

The financial forecasts present a deficit of \$44k inclusive of an \$11k deficit at Space Place, returning to break even from 2019/20. Overall, the Trust is forecasting a continuation of its sound financial position with adequate levels of cash on hand.

The Trust has experienced moderate growth in trading revenue over the past two years largely due to the success of retail and venue hire and it continues to expect modest growth. Taking into consideration the typical operating cycle which includes the biennial Capital E National Arts Festival which will boost revenue in 2018-19, trading revenue is forecast to increase by 4% over the base achieved in 2017-18.

KPI DASHBOARD

The tables contain a selection of KPIs and not a complete list.

** **Museums Wellington** includes the Wellington Museum, the Cable Car Museum and Nairn Street Cottage Museum. As is now standard practice, quarterly reporting will include the fully costed subsidy per visit.*

	Actual	Forecast	Draft SOI	Draft SOI	Draft SOI
30 JUNE	2017	2018	2019	2020	2021
Council subsidy per visit					
City Gallery	\$12.36	\$12.50	\$12.65	\$12.80	\$13.00
Museums Wellington*	\$4.55	\$5.18	\$5.00	\$4.95	\$5.32
Capital E	\$9.32	\$14.53	\$14.91	\$14.61	\$10.61
Space Place	\$9.33	\$9.89	\$9.72	\$9.50	\$9.32

Council subsidy per visit is a measure of Council's operating grant per visitor. Council's operating grant is a bulk grant to Experience Wellington and the allocation between institutions is done by the Trust.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 4 APRIL 2018

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KPI DASHBOARD

30 JUNE	Actual 2017	Forecast 2018	Draft SOI 2019	Draft SOI 2020	Draft SOI 2021
Non-Council Revenue					
City Gallery	1,184	574	581	629	699
Museums Wellington*	1,031	899	1,018	1,058	1,085
Capital E	1,825	1,129	1,560	1,160	1,696
Space Place	497	555	555	685	710
Sub Total	4,537	3,157	3,714	3,532	4,190
Sub-letting, Interest & Other	310	397	275	295	305
Total Non-Council Revenue	4,847	3,554	3,989	3,827	4,495

The Trust has forecast its non-Council revenue generation will be \$4.0m in 2018/19 (a National Arts Festival for Children year). In the comparable prior period (Festival year) in 2016/17 the Trust earned \$4.8m from non-Council sources but this included the Cindy Sherman exhibition at City Gallery. In the earlier comparable Festival year (2014/15), non-Council revenue was \$3.8m.

30 JUNE	Actual 2017	Forecast 2018	Draft SOI 2019	Draft SOI 2020	Draft SOI 2021
Spend per visit					
City Gallery	\$2.00	\$1.57	\$1.80	\$1.83	\$1.91
Museums Wellington*	\$2.25	\$1.41	\$2.28	\$3.37	\$2.40
Capital E	\$4.03	\$3.84	\$3.12	\$3.29	\$3.19
Space Place	\$9.56	\$10.12	\$9.85	\$10.00	\$10.00

30 JUNE	Actual 2017	Forecast 2018	Draft SOI 2019	Draft SOI 2020	Draft SOI 2021
Visitation					
City Gallery	180,616	143,000	170,000	175,000	178,000
Wellington Museum	138,956	137,000	132,000	135,000	138,000
Capital E	161,869	90,000	157,500	110,000	160,000
Cable Car Museum	242,250	237,000	237,000	237,000	237,000
Space Place	54,109	52,000	55,000	57,000	59,000
Nairn Street Cottage	2,614	2,500	2,000	2,000	2,000
TOTAL	780,414	661,500	753,500	716,700	774,000

Visitation targets have been set in response to expected interruptions.

- *Wellington Museum visitation may be affected if earthquake strengthening proceeds during the planning period.*
- *Capital E will host the National Arts Festival for Children in 2018-19 and again 2020-21.*
- *Capital E visitation for 2018-19 includes the Hannah Playhouse.*
- *City Gallery visitation may be affected by earthquake strengthening of the Town Hall.*

15. Wellington Regional Stadium Trust

OFFICER SUMMARY

The Wellington Regional Stadium Trust has presented its draft Statement Of Intent for 2018/19 (SOI). The SOI is well presented and informative, and responds positively to the sub-committee's letter of expectations.

The SOI describes the Trust's alignment with Council as a core strategic priority. The Trust is closely aligned with Council's events policy, digital and accessibility strategies and demonstrates clearly its support for Council's economic growth agenda.

The Stadium clearly supports Council's event policy in delivering the most diverse sporting events calendar supplemented with other major events, concerts and performances, of any stadium in New Zealand. Major events such as concerts and test matches consistently draw upwards of 50% of attendees from out of the region and as such the Stadium remains a strong economic contributor to the region.

In 2015 the Trust completed a 15-year study showing that almost 7.8 million visits have been made by people attending events at the Stadium. Of these visits, around 1.8 million have been from people outside the Wellington region spending an additional \$889 million in the region's economy, this is more than two and half times original estimates.

It is estimated that this spending has now passed the \$1bn mark given the events hosted over the past two years. The Trust will conduct its next economic impact review in 2019 ahead of the Stadium's 20th anniversary.

The Stadium is ranked as the No.1 accessible stadium in New Zealand according to strategy and communications consultancy, the Gemba Group. Westpac Stadium has a well-developed access plan to enable easy access for all patrons with a Be.accessible Gold rating. The Stadium achieved excellent levels of accessibility across all areas measured. In 2018/19 the Trust intends to create an accessibility user group that meets twice a year to help continually improve how the Stadium operates an accessible venue.

Over the next 12 months the Trust, with the support of Council, will invest in a significant upgrade of the internal concourse including removal of some of the steel cladding as well as upgrades to all of the catering outlets. This work is planned to be completed during the 2018/19 year.

The upgrades will cover the following elements:

- Removal of some of the steel cladding around the major thoroughfares to bring natural light and the city's wonderful vista into the Stadium;
- The enhancement and renovation of food and beverage outlets;
- Refurbishment of parts of the concourse floor;
- Cladding of some of the current grey concrete walls and pillars;
- Develop consistent look and feel and way finding around the concourse;
- Making the space more suitable for exhibition clients;
- Improved lighting.

The Stadium aims to continuously improve the fan experience. Like most venues the Stadium engages contractors for the delivery of key services. Many of these services are customer-facing such as catering, security and ticketing. Traditionally customer service training is provided by the contractor. In 2018/19 the Trust will develop its own programme of training for staff and key contractors in order to deliver a consistent level of service across all customer touchpoints.

From 1 April 2018 the Trust will work with our newly appointed food and beverage provider. The aim is to deliver the best food and beverage experience of any stadium in New Zealand.

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SUMMARY FINANCIALS (\$000)

The Trust does not produce forecast financial statements until the final SOI. This process is consistent with prior years.

The Trust has diverse revenue streams that provide some degree of risk mitigation to a downturn in any one sport or event. The Trust's mix of revenue streams compare favourably to other major stadiums.

In 2017 the Trust revamped its membership programme with a view to significantly increasing the number of members through delivering better venue membership products. To date the Trust has had good success in the relaunch and it aims to build on that during 2018/19.

In 2018/19 the Trust will pursue the following opportunities:

- grow stadium memberships.
- leverage investment in technology to grow signage and sponsorship revenues.
- renew or acquire a naming rights partner from 2020 onwards.
- grow non-event day event and functions revenues.

The focus on capital expenditure to enhance the facility and improve the patron experience will see borrowings and therefore interest on borrowings increase. Depreciation will also increase, and increases in insurance premiums are likely. The Trust will continue to operate with positive cash flows enabling the Trust to continue to invest in the facility.

KEY PERFORMANCE INDICATORS

The Trust's performance measures are largely non-financial but commit the Trust to outcomes that are appropriate for the Stadium and the expectations of its settlor Council's.

NON FINANCIAL PERFORMANCE MEASURES

Measure	How measured
Deliver a strong Rugby international test programme for 2018 and 2019	<ul style="list-style-type: none">• Key stakeholders are satisfied with management of the test operation• Sell-out crowds for test matches• 40% out of region visitors
Deliver more large scale non-sporting events	<ul style="list-style-type: none">• Secure at least one concert per year• Secure at least two other events outside the traditional rugby and football regular season calendar per year
Continued investment in stadium infrastructure	<ul style="list-style-type: none">• To develop a stadium app that features a number of enhancements to the fan experience• Concourse upgrade commences and is 75% complete
Deliver a full event calendar	<ul style="list-style-type: none">• Securing 45-50 event days per year. (Excludes community

	events).
Host unique events that deliver economic benefit to the region	<ul style="list-style-type: none"> • Maintaining economic benefit to the Region at an average of \$40 million per year • Working with promoters to deliver special events to Wellington
Continue to enhance food and beverage offering	<ul style="list-style-type: none"> • Greater range and quality of offerings • Higher customer satisfaction
Improved fan experience and hirer satisfaction	<ul style="list-style-type: none"> • To achieve a net satisfaction score above 80% for major sports and entertainment events. • To achieve a net satisfaction score above 70% for all other sporting events. • To develop an accessibility improvement plan
Sustainability	<ul style="list-style-type: none"> • Explore opportunities where the Trust can reduce environmental footprint.

Westpac Stadium remains the busiest stadium in New Zealand, hosting over 50 event days each year in addition to community event days. In addition, the Stadium hosts up to 1,000 non-event day functions, conference and meetings each year.

The past three years have boasted arguably the strongest events calendar since the Stadium opened including four concerts, world cups, FIFA Intercontinental play-off, rugby tests including the return of the British and Irish Lions and the Edinburgh Military Tattoo. While the 2018/19 event calendar is still work in progress, a number of major events are already confirmed and others are in negotiation. The Trust's focus lies particularly on those events that will fill the Stadium and generate economic return for the region.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 4 APRIL 2018

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16. Wellington Zoo Trust

OFFICER SUMMARY

The Wellington Zoo Trust has presented its draft Statement of Intent for 2017/18 (SOI) and it responds positively to the sub-committee's letter of expectation. The SOI clearly articulates the Trust's intentions to continue meeting the enduring expectations of Council and to maintain the Trust's alignment with relevant Council policies and strategies.

The Zoo is closely aligned to the Council's strategic direction and the SOI discusses how the Zoo's actions and activities contribute to Council's Towards 2040 strategy; specifically Connected City, Eco City, People Centred City and Dynamic Central City strategies. The Zoo refines its four core strategies toward 'igniting a zoo revolution' which aims to leverage its reputation and leadership in the sector and deliver 21st century conservation and sustainability programmes and actions, and help to reverse the loss of global biodiversity. This is deliberately ambitious but it represents the culture that underpins how the Zoo approaches its day to day activities to achieve the continuous improvement needed for such goals.

The Zoo is in a sound financial position and is forecasting to steadily grow its annual visitation with a break-even budget. Wellington Zoo is committed to continual improvement in visitor experiences to achieve wider engagement within the community and offers a range of events, discount days and other visitor programmes which engage the community in the work of the Zoo. The Zoo maintains its Be:Accessible Gold rating and aims to continue to improve the Zoo experience for all visitors.

The Zoo expects to continue host over 10,000 students participating in Learning Experiences Outside The Classroom. This comfortably exceeds the Ministry of Education expectations which support this programme and which is renewed in December 2017 for a further three years.

The Zoo's partnership with The Warehouse continues to bring students from low decile schools in the Wellington and Tasman regions to the Zoo for learning sessions (*Zoofari*). Around 1,200 students plus parents and teachers are expected to visit the Zoo under this initiative. This year the programme will be nationally focussed, with the four major Zoos across New Zealand collaborating to deliver aligned Zoofari experiences for underserved communities.

Bush Builders is another ongoing unique environmental literacy programme aimed at students from urban schools and has involved over 4,000 students in the region. This programme and Zoofari demonstrate the ongoing commitment by Wellington Zoo to environmental education for young people in this region.

In response to the now completed 10 year Zoo Capital Programme, the Trust has outlined its desired programme of capital projects for the Zoo over the next 10 years. The table is headed Proposed New Capital Projects. Two of these projects, with total capital investment of \$8.5m, have been prioritised and are being considered as part of the 2018-28 Long Term Plan.

SUMMARY FINANCIALS

FINANCIAL PERFORMANCE (\$000)		Actual	Forecast	Draft SOI	Draft SOI	Draft SOI
30 JUNE		2017	2018	2019	2020	2021
Total Revenue		7,425	7,797	7,527	7,686	7,856
Total Expenses		8,061	7,297	7,527	7,685	7,856
Net Surplus		(636)	0	0	0	0
Total Assets		3,926	3,126	3,018	2,926	2,946
Total Liabilities		2,236	1,436	1,328	1,236	1,256
Trust Funds		1,690	1,690	1,672	1,672	1,672
Net Cash Flow		-916	11	(29)	3	20
Opening Cash		3,322	2,822	2,833	2,804	2,806
Closing Cash On Hand		1,906	2,833	2,804	2,806	2,826

The Trust is forecasting a break-even budget while continuing to deliver its activities and services to the high standards we have become accustomed to. The Trust also maintains its strong cash position throughout.

KPI DASHBOARD

The tables contain a selection of KPIs and not a complete list.

	Actual	Forecast	Draft SOI	Draft SOI	Draft SOI
30 JUNE	2017	2018	2019	2020	2021
Non-financial					
Visitors	230,632	242,000	244,420	246,864	249,333
No. Students participating in LEOTC sessions	10,754	10,500	10,500	10,750	11,000
Visitor satisfaction (out of ten)	n/a	n/a	8.5	8.5	8.5
People participating in close encounters	4,149	4,000	4,000	4,000	4,000
Financial					
% Operating costs generated by the Trust	57%	52%	56%	56%	56%
Ratio Trust generated income as % Council grant	131%	125%	127%	126%	126%
Income per visitor from Trust generated revenue	\$16.86	\$16.76	\$17.21	\$17.34	\$17.49
Council subsidy per visitor	\$12.86	\$13.39	\$13.58	\$13.79	\$14.01
Full cost per visitor	\$23.20	\$22.85			

The visitor satisfaction rating is a new performance measure that should provide valuable feedback on the Zoo's overall visitor experience.

Full cost per visitor is a measure of the full cost to Council including property ownership and other overhead costs in addition to the operating grant. This measure is effectively 'owned' by Council and, apart from visitation, cannot be influenced by the Trust. The forecast figures will be available to be included in the Trust's final SOI.

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Attachments

Attachment 1.	Basin Reserve Trust draft SOI 2018/19	Page 154
Attachment 2.	Karori Sanctuary Trust draft SOI 2018/19	Page 177
Attachment 3.	Wellington Cable Car Ltd draft SOI 2018/19	Page 219
Attachment 4.	Wellington Museums Trust draft SOI 2018/19	Page 250
Attachment 5.	Wellington Regional Stadium Trust draft SOI 2018/19	Page 280
Attachment 6.	Wellington Zoo Trust draft SOI 2018/19	Page 305

Author	Warwick Hayes, Project Manager Economic & Commercial
Authoriser	Danny McComb, Manager Economic & Commercial

SUPPORTING INFORMATION

Engagement and Consultation

The organisations in this report consult with the Council on a wide range of matters as part of our “no surprises” relationship.

Treaty of Waitangi considerations

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

Financial implications

The CCOs work within the context of the Council’s overall Long Term Plan and Annual Plan framework.

Policy and legislative implications

This report complies with the legislative requirements of the Local Government Act (2002) and is consistent with existing Council policy.

Risks / legal

Not applicable.

Climate Change impact and considerations

The CCOs work with the Council and other organisations in considering the environmental sustainability of their operations, including with the Council’s Our Living City programme.

Communications Plan

Not applicable.

Health and Safety Impact considered

Not relevant.



Statement of Intent 2018-19 Basin Reserve Trust

Presented to the Wellington Council Controlled Organisations Sub-Committee
pursuant to Schedule 8 of the Local Government Act (2002)



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Introduction

Momentum continues to build for the Basin Reserve Masterplan and the Trust is pleased to report that the RA Vance Stand works have been completed with the stand now fully functional and presented to a high standard. The renovation works on both scoreboards has been completed with a major new addition being the installation of the 10m by 0.96m high LED panel at the top of the manual scoreboard. This will allow advertising to be shown on the screen during non-match days. The Kent and Cambridge Terrace entrance and interface has commenced with the majority of works completed before the West Indies Test on 1 – 5 December 2017.

These changes have been positively received by New Zealand Cricket and the media as well as the Cricket Wellington community. Members, fans and players alike are full of praise for the developments around the ground, while there is genuine excitement with regards to what the future holds for the Basin Reserve upon completion of the Masterplan.

The Basin continues to be the only first-class ground in the Wellington region and is still one of the most utilised venues for cricket throughout the season; this includes the hosting of international fixtures in addition to a full domestic programme. The Wellington Firebirds play all their home games at the Basin Reserve and the Wellington Blaze will play at the ground where possible. The facility also lends itself as a training facility throughout the season, with first-class training wickets produced for Cricket Wellington's domestic and age group teams and world class training wickets produced for the requirements of international sides.

As planning for the remaining major works progresses, the Trust looks forward to several projects being completed over the winter. This includes the construction of the new players pavilion and the development of the Southwest Terraces, which will include a specifically built children's play area established for greater usage by young families. This will promote the Basin as a community friendly facility and will be accessible all year round. The recently completed function areas in the RA Vance Stand are now available and will add great value to the venue. The Trust is also committed to supporting the retention and refurbishment of the historic Museum Stand which is crucial to providing additional capacity in the ground. The significant heritage of the stand cannot be underestimated, and it will also serve as the main office for Cricket Wellington upon completion.

The Trust is committed to an aggressive fundraising programme to support Wellington City Councils investment and ensure all planned projects can be adequately funded. The initial focus of the Trust is to raise funds for the Brierly Terrace Family Area and Museum Stand Work also continues on securing a naming rights sponsor for the Basin Reserve. An external agency has been engaged to assist with this and a number of positive leads are being followed up

In addition to the Masterplan, the Basin Reserve Trust has received positive reports from New Zealand Cricket regarding the wicket block, with a significant increase in pace and bounce which has raised the consistency of both of these factors. Since the removal of senior rugby from the Basin Reserve, the soil profile is much cleaner with the Organic Matter % (OM%) now within the acceptable levels as recommended by the International Cricket Council. Wellington Rugby will continue to utilise the ground for Junior Rugby on Saturdays, while Capital Football will run Junior Football on Sundays. This enables the Basin to

maximise usage of the venue all year round, with an average of twelve games played per weekend across both codes, as opposed to one senior game previously.

2017 has been another positive year for the delivery of events as we aim to retain the Basin Reserve's status as the 'premier cricket venue in New Zealand'. Cricket Wellington has successfully hosted the West Indies Test Match as well as two One-Day International fixtures against Pakistan in January. The international activity has complemented another full schedule of Domestic cricket this season, including two Plunket Shield fixtures being played in October for the first time in a number of years due to early preparation of the wicket block. Other events have included 'Beers at the Basin', which was an extremely successful event that showcased some of the best craft breweries, local wineries, street food and music within the Wellington region. The attendance for this event was 5500, which highlights the demand for the Basin as a venue for alternate events outside of the cricket calendar.

The Basin Reserve Trust is highly committed to ensuring it continues to provide significant opportunities at the grassroot level for all community and junior sport. This is highlighted by the desire to host club, secondary school and primary school cricket finals across both male and female competitions. This ensures that the ground is available for a wide range of users and that the Basin Reserve can be enjoyed by everyone. The Trust also continues to nurture relationships with other sporting codes, such as athletics which saw a 'Night of Miles' event return to the venue in December, to establish the ground as a multi-purpose facility.

The Basin Reserve Trust is also working with the Wellington Regional Economic Development Agency (WREDA) events team to ensure a steady stream of non-cricket event bookings that complement an already busy schedule. The bidding process for the Future Tours Programme will begin with New Zealand Cricket in March/April 2018 which will allow us to lock in the international cricket schedule over the next 12 months. The Women's Cricket World Cup is being hosted by New Zealand in 2021 and we are committed to working alongside WREDA and NZC to secure a strong programme for Wellington.

Strategic Direction

Core Purpose

The objectives of the trust are stated in the Trust Deed as agreed between the Wellington City Council and the Basin Reserve Trust and are highlighted below:

1. to contribute to the Wellington City Council'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 enter into management agreements and other contracts that are necessary or desirable to achieve the objects of the Trust;
5. to promote and co-ordinate the raising of funds to assist the management, administration, maintenance planning, promotion and further development of the Basin Reserve - in a manner consistent with the achievement of council objectives;
6. generally to do all acts, matters and things that the Trustees consider necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the public of Wellington;
7. to operate as a successful undertaking, managed on a not-for-profit basis;
8. to preserve and enhance the significant and recognised heritage value of the Basin Reserve;
9. 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 Councils contribution where appropriate;

Nature and Scope of Activities

The Basin Reserve Trust (the Trust) is a charitable trust, and operates on a not-for profit basis. The Trustees are appointed by Cricket Wellington (2) and the Wellington City Council (2).

The Trust operates under the Basin Reserve Trust Deed, with a focus on the following responsibilities;

- Manage, develop and promote the Basin Reserve for recreation, leisure and cricket games
- Preserve the heritage value of the Basin Reserve and its assets
- Organise fundraising to help promote and further develop the Basin Reserve.

Board's Approach to Governance

The Trustees approved are responsible for setting the strategic direction for the Trust, and approving the Statement of Intent and Annual Business Plan. The Trustees monitor the organisational performance and ensures that the ongoing viability of the organisation is maintained.

The Trust delegates the daily operation of the Trust to Cricket Wellington Incorporated, pursuant to a Management Agreement between the two parties.

Trust Membership

- Sir John Anderson KBE (Chair) (Wellington City Council)
- Mike Horsley (Cricket Wellington)
- Cr Fleur Fitzsimons (Wellington City Council)
- Mr John Greenwood (Cricket Wellington)

Trust Operations

The Trust meets quarterly, and considers a Management Report submitted by Cricket Wellington as Manager. Additional meetings are called as required.

Performance Management

The performance of the Trust is measured in part by achievement of agreed KPI's, with regards to operational activities. The Chair of the Board will undertake an annual evaluation of Trustee performance. Further, the individual performance of Trustees is monitored by the Wellington City Council (in respect of the two Council- appointed Trustees), and Cricket Wellington (with regards to the two Cricket Wellington-appointed Trustees).

The Trust acknowledges the need for ongoing professional development opportunities for Trustees, and encourages the undertaking of specialist training for identified needs. The Board will on an annual basis implement a programme that supports the identified needs. This may include programmes such as that offered by the NZ Institute of Directors (or similar) or specialist knowledge building from appropriate agencies.

Operating Environment Update

Events

The Basin Reserve continues to deliver a calendar of high quality events that balance the needs of both cricket and non-cricket alike. In terms of cricket in March 2018 the Basin Reserve Trust will engage with New Zealand Cricket, Westpac Stadium and the Wellington City Council on another two-year cycle. In 2018/19 Sri Lanka, Bangladesh and India will tour which underlines the importance of the city presenting a strong regional case. Below the international level, domestic cricket will see a full programme of all Wellington Firebirds First-Class, List-A and Twenty 20 fixtures in addition to Wellington Blaze matches played at the Basin.

Outside of cricket, the Trust has been actively working with several key partners to make the ground available in a way that is complimentary to the cricket season. In December 2017, this saw the ground host the Beers at the Basin Event which was met very favourably by the public. Looking ahead to 2018-19, the venue is currently working towards more events in early 2018.

Masterplan Project Rollout

Work on the re-development of the Basin Reserve continued through 2017/18 with the completion of the interior of the RA Vance Stand. The interior upgrade of the RA Vance Stand was completed in Quarter 1 of 2017/18 and the improvements to the stand brought it back up to a high standard reflective of the home of Cricket in New Zealand.

2018/19 will see the following projects progressed:

- Players Pavilion
- Completion of the Kent and Cambridge Terrace entrance and interface;
- Southwest Terraces Development
- Detailed design of the changes to the Eastern grass embankments; and
- Presentation to Council of the options for the future of the Museum Stand

The Trust is keen to see momentum maintained over the winter of 2018 that should see the ground presenting well for the upcoming cricket season.

The Trust acknowledges Council's expectation that the Trust will have a significant focus on fund raising to support the Council investment in the upgrade of the Basin Reserve.

Operational Maintenance Work

Working closely with the Masterplan project, the Trust has endeavoured to complement its rollout with general repairs, maintenance and small improvements to the functionality of the venue. Of particular note is the work on the C.S.Dempster and J.R.Reid Gatehouse which has now been completed with the removal of the ticket booths and the internal walls in between. This work has been well received so far and has enabled much safer access in and out of the ground

Performance Measurements

Non-financial Performance Measures 2017-20

Measure	Frequency	Measurement	2017-18 Forecast	2018-19	2019-20
Number of event days	Quarterly				
• Cricket Events		Cricket days	38	38	38
• Other Sports Events		Sports days	20	20	24
• Practice facility usage		Practice days	100	100	100
• Community Events		Other days	13	13	13
• Functions		Function days	17	18	21
Numbers attending events		Attendance figures	40,000	41,000	42,000

Non-financial Performance Measures 2018-19

Measure	Frequency	Measurement	2018-19 Q1	2018-19 Q2	2018-19 Q3	2018-19 Q4	2018-19 Total
Number of event days	Quarterly						
• Cricket Events		Cricket days	0	21	17	0	38
• Other Sports Events		Sports days	7	3	3	7	20
• Practice facility usage		Practice days	10	45	45	0	100
• Community Events		Other days	2	3	4	4	14
• Functions		Function days	4	4	4	6	18
Numbers attending events		Attendance figures	1,500	25,000	13,000	1,500	41,000

Additional Information

Response to other specific Letter of Expectation matters (if applicable)

Maintenance Responsibilities for the Basin Reserve

The Trust acknowledges the Councils desire to ensure ongoing maintenance of the venue is carried out by the Council's own team and will work to ensure that this is a successful arrangement. At the same time, the Trust believes it is important that the governance and responsibility for operational management of the Basin Reserve remains untouched. The Trust has built the venue's capability and credibility over the past 12 years, due in large part to its appreciation of the ground's unique status and heritage. It is important that this work continues, particularly as the Masterplan work unfolds.

Naming Rights Sponsor

With the Masterplan timetable close to being confirmed, the Trust now has a greater degree of certainty on what benefits can be provide to a Naming Rights Sponsor. The Trust remains confident that a new Naming Rights partner will be recruited ahead of next summer. In the short term, the Trust has engaged a third-party specialist to assist in identifying suitable partners. This third party will work with the Trust in developing sponsorship collateral for prospective partners, and pursue targets on a commission basis.

Performance Review

The Trust acknowledges the Council's expectation that a review of the Trustees performance be undertaken. The Trust will work with Council to ensure this expectation is addressed through the course of 2018-19

Health and Safety

The Basin Reserve Trustees are very cognisant of their obligations under the new Health and Safety legislation, and are committed to ensuring the Trust complies with requirements in a best practice approach. The Trust has made significant strides in the past 12 months, particularly in respect of Emergency Management Planning and compliance of third party contractors at events. The Trust is continuing to monitor and evaluate best practice in the area of Health and Safety.

Ratio of trustee equity to total assets

0.92 : 1.00 at 30 June 2019

Estimate of amount intended for distribution

There is no intention to pay out reserves to stakeholders.

Acquisition procedures

There is no intention to make any acquisitions.

Activities for which the board seeks compensation from a local authority

None.

Estimate of commercial value of stakeholder's investment

The net value of the Stakeholder's investment in the trust is estimated to be valued at \$722,000 as at 30 June 2019

Other matters (if applicable) e.g. water supply services LGA requirements

None.

Supplementary information the entity wishes to include

None.

Organisational Health, Capability and Risk Assessment

The Trust undertakes the following measures to manage identified risks.

Financial and Legal Risks	<ul style="list-style-type: none">• External audit and review of financial accounts (undertaken by Audit NZ)• Interests Register documented at each Trust meeting• Fraud Policy adopted by the Trust (detailing the Trust's policy for fraud prevention)• The Trust's financial matters are managed by an external Accountant, whom also sits on Trust meetings and partakes in business discussions and decision-making (as a non-voting member of the Trust's Executive)
Health & Safety	<ul style="list-style-type: none">• Health & Safety policy in place, reviewed quarterly• Evacuation Procedures in place• Meet all building WOF requirements and act in the required manner on IQP reports
Operating Risks	<ul style="list-style-type: none">• Routine Maintenance Plan in place to ensure facility meets a necessary standard• For cricket-specific events, the Trust meets or exceeds NZC and/or ICC set criteria

Appendix: Accounting Policies and Financials

ACCOUNTING POLICIES

BASIN RESERVE TRUST STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2019

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 2019**

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 recognised.

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 the 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.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

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BASIN RESERVE TRUST STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2019

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.

FORECAST FINANCIAL STATEMENTS

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDING

	30 June 2018 Forecast	30 June 2019	30 June 2020	30 June 2021
	\$'s	\$'s	\$'s	\$'s
Revenue				
Council funding	648,993	658,967	669,191	679,671
Grants other	3,500	823	-	-
Sales of goods and services	278,000	320,100	330,100	312,300
Interest revenue	160	160	180	180
Total Revenue	930,653	980,050	999,471	992,151
Expenses				
Depreciation of property, plant and equipment	116,500	120,000	130,000	135,000
Costs related to providing goods and services	647,200	658,100	699,500	718,250
Other expenses	113,520	124,570	124,780	125,130
Total Expenses	877,220	902,670	954,280	978,380
Surplus/(Deficit) for the Year	53,433	77,380	45,191	13,771

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

BASIN RESERVE TRUST STATEMENT OF FINANCIAL POSITION AS AT

	30 June 2018 Forecast	30 June 2019	30 June 2020	30 June 2021
	\$'s	\$'s	\$'s	\$'s
Assets				
Current Assets				
Bank accounts and cash	50,485	60,468	85,648	115,828
Debtors and prepayments	140,000	165,000	180,000	165,000
Total Current Assets	190,485	225,468	265,648	280,828
Non-Current Assets				
Property, plant and equipment	560,100	560,100	580,000	580,000
Total Non-Current Assets	560,100	560,100	580,000	580,000
Total Assets	750,585	785,568	845,648	860,828
Liabilities				
Current Liabilities				
Creditors and accrued expenses	94,882	53,308	68,197	69,606
Income received in advance	10,000	10,000	10,000	10,000
Unearned income	823	-	-	-
Total Current Liabilities	105,705	63,308	78,197	79,606
Total Liabilities	105,705	63,308	78,197	79,606
Total Assets less Total Liabilities	644,880	722,260	767,451	781,222
Trust Equity				
Contributed capital	100	100	100	100
Accumulated surpluses	644,780	722,160	767,351	781,122
Total Trust Equity	644,880	722,260	767,451	781,222

**BASIN RESERVE TRUST
STATEMENT OF CASH FLOWS FOR THE YEARS ENDING**

	30 June 2018 Forecast	30 June 2019	30 June 2020	30 June 2021
	\$'s	\$'s	\$'s	\$'s
Cash Flows from Operating Activities				
Receipts of council funding	658,000	668,000	650,000	655,000
Receipts of grants other	3,500	823	-	-
Receipts from sale of goods and services	270,000	330,000	350,000	350,000
Interest receipts	160	160	180	180
Payments to suppliers and employees	(835,000)	(855,000)	(865,000)	(865,000)
GST (net)	(12,000)	(14,000)	20,000	25,000
Net Cash Flows from Operating Activities	84,660	129,983	155,180	165,180
Cash Flows from Investing and Financing Activities				
Payments to acquire property, plant and equipment	(62,000)	(120,000)	(130,000)	(135,000)
Net Cash Flows from Investing and Financing Activities	(62,000)	(120,000)	(130,000)	(135,000)
Net Increase/(Decrease) in Cash for the Year	22,660	9,983	25,180	30,180
Add opening bank accounts and cash	27,825	50,485	60,468	85,648
Closing Bank Accounts and Cash	50,485	60,468	85,648	115,828

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

BASIN RESERVE TRUST**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDING**

	30 June 2018 Forecast \$'s	30 June 2019 \$'s	30 June 2020 \$'s	30 June 2021 \$'s
Income				
Grant Income				
Grant Wellington City Council	648,993	658,967	669,191	679,671
Grant Other	3,500	823	-	-
	<u>652,493</u>	<u>659,790</u>	<u>669,191</u>	<u>679,671</u>
Ground Hire Income				
Ground Hire International Cricket	159,900	113,000	118,000	120,000
Ground Hire Domestic Cricket	70,000	70,000	70,000	60,000
Ground Hire Winter Sports	1,200	1,800	1,800	2,000
Ground Hire Other Events	28,000	25,000	30,000	20,000
	<u>259,100</u>	<u>209,800</u>	<u>219,800</u>	<u>202,000</u>
Other Income				
Concession Income	18,000	30,000	30,000	30,000
Signage	600	80,000	80,000	80,000
Picket Fence Income	300	300	300	300
	<u>18,900</u>	<u>110,300</u>	<u>110,300</u>	<u>110,300</u>
Interest Income				
Interest income	160	160	180	180
Total Income	<u><u>930,653</u></u>	<u><u>980,050</u></u>	<u><u>999,471</u></u>	<u><u>992,151</u></u>

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDING

	30 June 2018 Forecast \$'s	30 June 2019 \$'s	30 June 2020 \$'s	30 June 2021 \$'s
Expenditure				
Building Expenses				
Repairs & Maintenance	7,000	15,000	30,000	35,000
Cleaning	2,000	4,000	5,000	5,000
Electrical Services	3,000	3,000	4,500	4,500
Fire System	8,500	9,000	9,000	9,500
Painting	1,500	2,000	2,200	2,200
Pest Control	7,500	8,000	8,000	8,500
Plumbing	1,000	3,500	4,000	4,000
Other	300	300	350	350
	<u>30,800</u>	<u>44,800</u>	<u>63,050</u>	<u>69,050</u>
Ground Expenses				
Electrical Services	3,200	3,500	3,500	4,000
Equipment Hire	-	400	400	500
Cleaning	3,500	3,500	4,000	4,000
Irrigation	800	800	800	1,000
Painting	1,000	2,500	8,000	3,000
Plumbing	5,000	7,500	8,000	8,000
Rubbish Removal	15,000	16,000	17,000	18,000
Structures Repairs & Maintenance	25,000	28,000	28,000	35,000
Turf	315,000	320,000	320,000	325,000
	<u>368,500</u>	<u>382,200</u>	<u>389,700</u>	<u>398,500</u>
Occupancy Expenses				
Gas	3,500	3,500	3,750	3,750
Electricity	19,500	20,000	21,000	22,000
Rates	32,000	32,800	33,500	34,000
Security	12,500	13,500	14,000	15,000
Telephones	2,800	2,600	2,750	2,750
Water Rates	22,000	22,000	24,000	24,000
Television	5,000	5,100	5,100	5,500
Insurance	1,600	1,100	1,150	1,200
Consumables Laundry & Toilet	16,000	12,000	13,000	13,500
	<u>114,900</u>	<u>112,600</u>	<u>118,250</u>	<u>121,700</u>

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

BASIN RESERVE TRUST**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDING**

	30 June 2018 Forecast \$'s	30 June 2019 \$'s	30 June 2020 \$'s	30 June 2021 \$'s
Expenditure				
Event Running Expenses				
Event Running	125,000	110,000	120,000	120,000
Casual Staff	8,000	8,500	8,500	9,000
	<u>133,000</u>	<u>118,500</u>	<u>128,500</u>	<u>129,000</u>
Administration Expenses				
Audit	13,500	14,000	14,200	14,500
Accounting	12,000	12,000	12,000	12,000
Bank Fees	120	120	130	130
Consultants	18,000	20,000	20,000	20,000
Management Fee	68,000	68,000	68,000	68,000
	<u>111,620</u>	<u>114,120</u>	<u>114,330</u>	<u>114,630</u>
Other Expenses				
Interest Expense	-	-	-	-
Marketing	1,500	10,000	10,000	10,000
Miscellaneous	150	200	200	250
Picket Fence Expenses	250	250	250	250
	<u>1,900</u>	<u>10,450</u>	<u>10,450</u>	<u>10,500</u>
Depreciation Expense				
Depreciation Expense	116,500	120,000	130,000	135,000
	<u>116,500</u>	<u>120,000</u>	<u>130,000</u>	<u>135,000</u>
Total Expenditure	<u><u>877,220</u></u>	<u><u>902,670</u></u>	<u><u>954,280</u></u>	<u><u>978,380</u></u>
Net Surplus (Deficit) for the Year	<u><u>53,433</u></u>	<u><u>77,380</u></u>	<u><u>45,191</u></u>	<u><u>13,771</u></u>

Statement of Intent 2018-2019 Karori Sanctuary Trust

Presented to the Environment Committee
pursuant to Schedule 8 of the Local Government Act (2002)

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1. Introduction

ZEALANDIA's 20-year strategy document, Living with Nature: Tiaki Taiao, Tiaki Taonga – our strategy for 2016-2035, articulates our vision for nature-rich communities where people and nature flourish and the wider Wellington region is internationally recognised as the most nature connected urban area in the world.

Since the launch in December 2016, this document has been the touch-stone of all our work and this Statement of Intent (SOI) is structured to reflect our activities and programmes against each of the key strategic themes.

In 2017/18 we have demonstrated further significant advances in all areas of our operations and our 2018/19 SOI builds on this solid platform as well as introducing some new initiatives such as the ZEALANDIA Centre for People and Nature.

Our continued conservation and restoration work within the sanctuary remain important areas of focus, and our review and subsequent implementation of key planning documents, the Restoration Strategy and Valley Management Plan, will continue in 2018/19.

In all our work, partnerships remain of critical importance and our relationship with Wellington City Council (WCC) is an essential and central component of all our activity as we aim to enhance our contribution to Wellington's reputation as a liveable and living city.

Next steps in 2018/19

This SOI sets out our plans for how ZEALANDIA will continue to add value to Wellington and meet WCC's goals as set out in the Letter of Expectations.

ZEALANDIA's strategic and operational direction remains closely aligned with the Council's 2015-25 Ten Year Plan overall, as well as other key strategic documents such as Our Natural Capital: Wellington's Biodiversity Strategy, the Our Living City Project, and the Wellington Region Economic Growth Agenda.

As mentioned above, our conservation and restoration activities in the sanctuary are fundamental to all our work and will continue in 2018/19.

Our growing engagement with Predator Free Wellington during 2017/18 will continue on a range of levels from support to local community groups through to a key role in the reintroduction of native biodiversity to predator-free areas.

Our Sanctuary to Sea project will make further significant progress in 2018/19, drawing-in a wide range of partner organisations, community groups, and local schools.

We will establish Centre for People and Nature as a key centre for knowledge generation at all levels, welcoming input from local, national and international contributors. The Centre will be based on strong and effective partnerships with key organisations and we will grow these further during this year.

Our work across all levels of education and learning remains one of our core areas of activity and through strong and growing partnerships we will continue to develop and grow opportunities at all levels. Our provision of programmes for lower decile schools will continue to develop, along with other school-age programmes.

We recognise the importance of robust and sustainable infrastructure, and welcome the Council's support in assisting ZEALANDIA in developing and maintaining fit-for-purpose infrastructure. Our current situation regarding work space for staff, volunteers, researchers and interns has now reached the point of being critically unsustainable and action will be taken in 2018/19 to explore, agree and initiate work towards both immediate and longer-term solutions.

Our work continues to provide significant opportunity for growing influence and positive impact and we have a wide range of exciting stories that can be told to mutual benefit of our partners and our city. We will continue to work closely with the Council and all our other key partners to tell these stories and deliver a range of exciting outcomes in 2018/19.

Denise Church
Chair, Karori Sanctuary Trust,
Trust

Paul Atkins
Chief Executive, Karori Sanctuary
Trust

2. The Strategic Partnership with Wellington City Council

As noted in our 2017/18 SOI, the Karori Sanctuary Trust (KST) formally became a Council Controlled Organisation (CCO) in 2016 and Wellington City Council (WCC) remains a key strategic partner of the Trust. In 2017/18, the WCC grant contributed 17% of the Trust's total budgeted revenue. WCC also owns the land and Visitors Centre on which the Trust Board operates ZEALANDIA. The strategic priorities of the City form an important part of the strategic context for ZEALANDIA and our goals are closely aligned to meeting many of the City's priorities as described later in this document.

Over the last four years ZEALANDIA has cemented its position as a high performing contributor to the liveability of our city and wider Wellington region, working effectively with partner organisations to drive Wellington's position as a unique natural capital.

Through our relationship with WCC and other partners our impact and influence beyond the fence is being demonstrably leveraged for the benefit of our community and further afield. We will continue to contribute significantly to Wellington as a great place to live, work, visit, and learn – a nature rich city that is globally influential in restoring people's connection with our natural heritage.

2016/17 financial year brought the joint challenges of earthquakes, floods, and unsettled weather. Despite this, we are proud that we, once again, achieved an above-target number of 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 in 2016/17 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 \$779,978. 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.

At the time of writing, all KPIs for 2017/18 show further year-on-year improvement, with visitor numbers continuing to demonstrate a growth trajectory.

In 2017/18 we implemented the living wage policy for our employees as required by WCC, and anticipate that the Council will support funding the additional cost associated with this on an ongoing basis.

2.1 Wellington City 2015-2025 Ten Year Plan

Under its 2015-2025 Ten Year Plan, the Council commits to part fund ZEALANDIA as a conservation visitor attraction. The rationale for this investment is that ZEALANDIA will inform and educate people on the importance of conservation and biodiversity, attract visitors, and restore and protect native flora and fauna.

Amongst Council's outcome indicators in the Ten Year Plan, those of most relevance for ZEALANDIA are:

- residents' usage of the city's open spaces

- high value biodiversity sites are covered by integrated animal pest control or weed control
- the success of Council's investment in visitor attractions:

	2017-18 forecast	2018-19	2019-20	2020-21
ZEALANDIA visitors	111,210	99,300	102,200	105,200

2.2 Wellington Towards 2040: Smart Capital

Wellington's Strategic Vision, "Wellington Towards 2040: Smart Capital" is supported by four goals – people-centred city, connected city, eco-city and dynamic central city. The eco-city goal recognises the importance of Wellington taking an environmental leadership role.

Research has shown that Wellingtonians have a deep appreciation of nature. The city currently has over 4,000 hectares of reserve lands, including parks and reserves for recreation, wildlife, and scenery. Wellington also has over sixty community conservation groups which participate in planting native species in reserve lands, weed work, clearing and maintaining waterways, and pest control.

ZEALANDIA makes a significant contribution to the city through not only our unique amenity value, but increasingly as the source of the resurgence of native fauna now being experienced throughout the city and suburbs. Additionally, many of our programmes further the environmental leadership role through, for example:

- Education, teaching and learning: These have always been key programmes for ZEALANDIA. Our annual programme of school visits is delivered in partnership with the Ministry of Education's Learning Experiences Outside the Classroom programme (LEOTC).
- Research: An integrated programme of multi-disciplinary, long-term research has been developed with multi-organisational inputs. In mid-2017/18 we announced the establishment of the ZEALANDIA Centre for People and Nature for which ZEALANDIA is the hub. Through cutting-edge research, educational activity and community engagement we will generate the data, information, knowledge and understanding required to transform how we live well with nature and reshape the places in which we live.

2.3 Our Living City

Biophilic cities contain abundant nature. They care about, and seek to protect, restore and grow this nature, and strive to foster deep connections and daily contact with the natural world. In a biophilic city nature is not something optional, but essential to living a happy, healthy and meaningful life.

Over 50% of the world's population lives in urban areas and from United Nations projections this is expected to reach 70% by 2050. Our challenge as urban centres become increasingly populated is how to ensure that we don't lose our connection to nature.

There is now a significant body of research demonstrating how human health can benefit from exposure to green environments, nature and wildlife, in relation to both physical and psychological wellbeing. Much of the research shows the direct positive effect of nature on the health and happiness of people, reduced stress and improved work performance.

A survey of ZEALANDIA members revealed that a significant benefit derived from their annual subscription was the pursuit of better health and well-being.

The “Our Living City” programme is being developed by the Council’s biophilic city team, to improve Wellington’s quality of life by strengthening urban-nature connections throughout the city, and building economic opportunities from a healthy environment.

Council has identified three goals for Our Living City:

- Growing and enjoying our natural capital - making sure that projects are carried out in a way which protects and develops our urban nature, biodiversity and resilience.
- Transforming our economy and reducing impact - attracting people, ideas and investment to the city; promoting green research, technologies and services; investing in smart infrastructure; reducing emissions from stationary energy, transport and waste.
- Showing leadership - encouraging community action; establishing partnerships, including research partnerships.

To achieve these goals, Council has committed to a range of partnerships to grow its reputation as a centre of excellence for urban planning, resilience and ecological sustainability.

ZEALANDIA and its programmes are at the core of Wellington as a living city, and closely aligned with the Council’s way of working. We represent a unique model of global significance. The protection of such a large space within close proximity to the central business district of a capital city is a model that can be looked to from around the world as an example of how to balance urban environments with natural spaces. Other ways in which we make a significant contribution to the “Our Living City” programme include:

- Partnering with organisations which engage the community with nature-based activities and provide a platform to raise awareness and open the debate around the connection between well-being and nature, thereby positioning the conservation of the natural environment at the centre of national life.
- Our partnership with Victoria University of Wellington continues to develop and provides a basis for outstanding research.
- Engaging at a community level with groups including both corporate and community organisations.
- Development and delivery of education programmes as a partner in the Predator Free Wellington programme
- Our Sanctuary to Sea project which involves working with multiple partners organisations and community groups to restore the entire Kaiwharawhara catchment from ZEALANDIA to the harbour.
- Our partnership with the Woodlands and Wetlands Trust (Canberra) continues to grow and in 2017/18 we had a number of trustee and staff exchanges which have led to a number of new opportunities.

As indicated in the next section, our vision for the next 20 years puts partnerships at the centre of the way we work.

2.4 Our Natural Capital: Wellington's Biodiversity Strategy

Wellington's Biodiversity Strategy, completed in 2015, aims to protect and restore the city's indigenous biodiversity. In order to protect indigenous biodiversity Council recognises the need to connect people to it, and to carry out research so it can be better managed.

Council has identified four themes for its work to implement the Biodiversity Strategy:

- We will aim to protect the ecologically significant areas on both private and public land.
- We will restore these areas, create safe buffer zones around them and connect them together. We will reduce pest numbers throughout Wellington City to a point where our native species can survive and expand.
- Throughout the urban environment, we will focus on raising awareness of the issues facing indigenous biodiversity and connecting people to their natural environment.
- We will enable our community to continue restoration work across all of our reserves and we will support them in these efforts.

There is an increasing awareness worldwide of the need to protect our natural environment. Wellington is uniquely positioned to grow as a nature capital with ZEALANDIA at its heart as a nature destination and a site for urban ecology research and community learning.

There is very close alignment between the Council's Biodiversity Strategy and the purpose, strategy and themes by which ZEALANDIA currently works and will work in future.

- ZEALANDIA recognises, rejoices and promotes people's growing awareness of, and desire to reconnect to, the natural world.
- ZEALANDIA plays an important role in the restoration of natural biodiversity in Wellington through, for example, our Sanctuary to Sea project and work in the halo. ZEALANDIA also plays a role in a range of Council led and supported initiatives such as Predator Free Wellington.
- Ongoing conservation and research programmes within ZEALANDIA continue to cement ZEALANDIA's leadership as a model for fenced mainland sanctuaries running restoration projects, as well as significantly contributing to conservation of threatened species by successful transfers to the sanctuary and to other sites.
- The science of urban ecology is emerging as increasingly influential, and ZEALANDIA is growing momentum for this important work across the Wellington region. Our urban location, education programme, connection to the community, proximity to Victoria University, and the visible effect upon the city's birdlife is helping to nurture a generation of Wellingtonians who treasure New Zealand's indigenous flora and fauna.

2.5 Our Capital Spaces Framework

The Council's Open Spaces and Recreation Framework for Wellington 2013-23 includes three priorities that are directly relevant to ZEALANDIA:

- Enhancing the Halo project and biodiversity - expand pest management and native planting; and work with partners to deliver the Halo project buffer zone to expand the safe habitats for birds flying in and out of ZEALANDIA.

- Accessible information - Provide on-site signs and information (on paper, online and for mobile devices) that can be accessed by everyone, including people with physical, hearing or sight impairments.
- Partnerships - Help expand partnerships, recognising that partnership requires resourcing from both sides.

Working with Council on these priorities aligns closely with our purpose of restoring our connection with our unique natural heritage, inspiring and enabling people to take action.

2.6 Predator Free Wellington

This is a joint programme between Wellington City Council, Greater Wellington Regional Council, and the NEXT Foundation that aims to create the world's first predator-free capital city. It is anticipated that Predator Free Wellington will result in:

- highly significant ecological outcomes - more birds, lizards and bugs contributing to healthy functioning ecosystems
- significant economic benefits - for example, no more rats chewing wires or pipes
- social benefits - more connected communities working together for a common cause.

ZEALANDIA has played a pivotal role in the motivation behind this project and continues to make a significant contribution through technical inputs and leadership in creating enriched biodiversity. ZEALANDIA also leads the schools programme for this project, working with local schools to develop tracking, trapping and monitoring programmes in their own communities.

2.7 The Wellington Regional Economic Growth Agenda

WREDA's vision for Wellington is that, by 2025, Wellington will be the most prosperous, liveable and vibrant region in Australasia.

Tourism is an important contributor to economic growth in Wellington and New Zealand. Wellington has a strong domestic tourism market with 75% of visitors to the city coming from other parts of New Zealand. Domestic visitors typically cite their reasons for travel as for a specific event, business or to have an urban experience.

ZEALANDIA works closely with the relevant agencies in Wellington to position itself firmly at the centre of the tourist trail in the city. In 2016/17 ZEALANDIA:

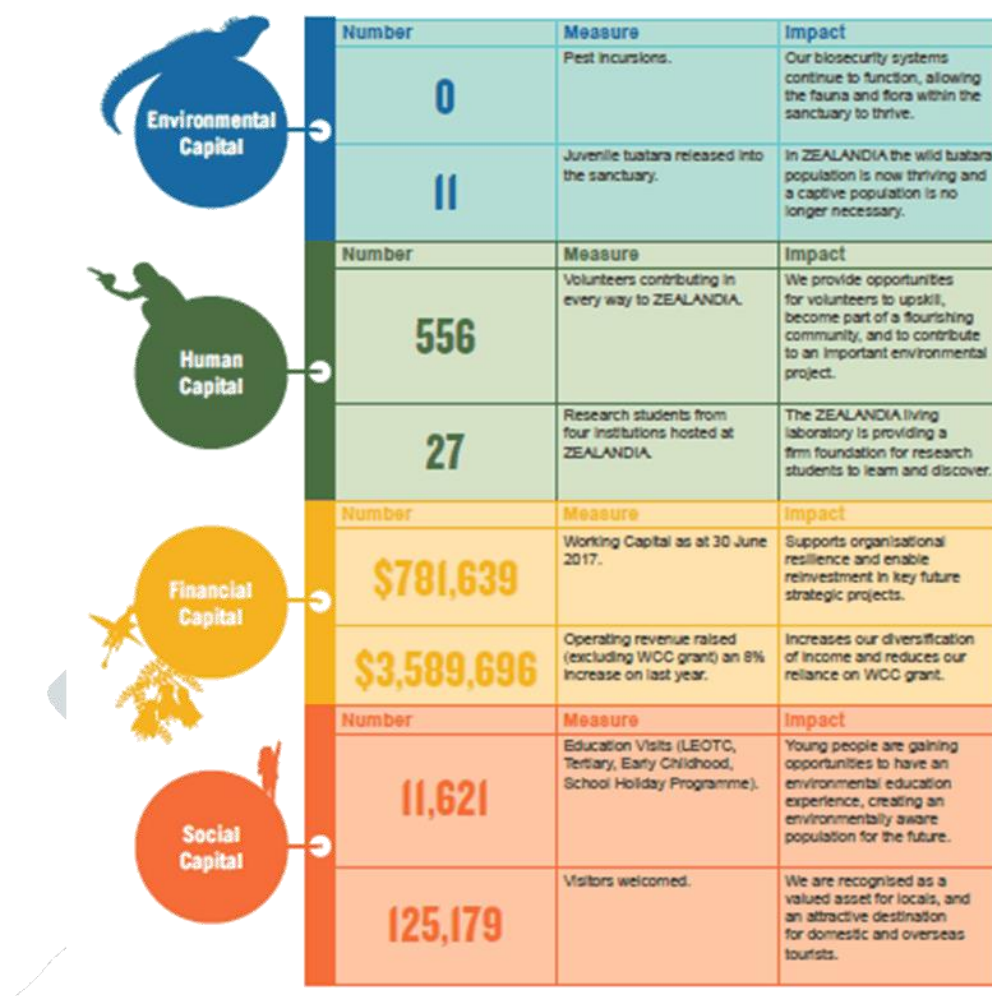
- Attracted over 125,000 visitors to the sanctuary.
- Featured consistently in the top 5 Wellington 'must do' visitor experiences on Trip Advisor.

In December 2017, the senior management teams from WREDA and ZEALANDIA held a joint workshop to explore opportunities to work increasingly closely together to advance the prosperity and liveability of the Wellington region, including through tourism.

In 2018/19 we will continue to advance this increasingly close relationship.

Summary of achievements in 2016/17

Highlights



3. Strategic Direction for 2018/19 and beyond

ZEALANDIA's 20-year strategy, Living with Nature: Our strategy for 2016-2035 / Tiaki Taiao, Tiaki Tangata: Te Rautaki 2016-2035, was published in 2016 and we continue to drive all our activity and programmes in support of the key themes as below:



4. The nature and scope of our activities in 2018/19

The following sections set-out our high level objectives, scope of business, key performance indicators and the budget for 2018/19. It is supported by the ZEALANDIA business plan for 2018/19 and a range of other operational plans that are approved by the Board from time to time.

The KPI Scorecard (section 5.1) brings together a set of Key Performance Indicators to enable ZEALANDIA management, the Trust Board and WCC to focus on the most important measures of success for 2018/19.

4.1 Objectives

The 2018/19 work programme is presented in the following sections, grouped according to our key objectives for 2018/19:

- Restoring Te Māra a Tāne and its extending halo of biodiversity.
- Building our organisation's capacity to drive transformation.
- Creating inspiring, accessible experiences.
- Forming strong and enduring local, national and international partnerships based on shared goals.
- 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.
- Equipping people with experience and skills for a nature-rich future.
- Inspiring change through example and shared passion for action.

4.2 Restoring Te Māra a Tāne and its extending halo of biodiversity

The conservation and restoration activities in the sanctuary form a fundamental core to all our work. Our goal is to restore the valley's ecosystems and processes as closely as practicable to their indigenous character. A key aspect of this is managing threats to native species in the sanctuary and also extending our impact beyond the perimeter fence. Our beyond-the-fence vision means our partnerships with Predator Free New Zealand, Predator Free Wellington, Wellington City Council, Greater Wellington Regional Council and other community-based groups are essential to creating safe places for wildlife beyond the fence.

Current (ongoing) programmes

- Maintain the perimeter fence so that it ensures the area within the fence is secure from mammalian threats.
- Undertake effective monitoring and management of threats (plant and animal pests).
- Manage and monitor indigenous plants and animals, especially those recently transferred to the sanctuary or requiring support, for example, through provision of supplementary food or nest boxes.
- Manage the welfare of species held in captivity to ensure successful breeding outcomes where appropriate.

- Support nationally and locally led species recovery programmes and restoration work where possible.

Strategic Initiatives

- Grow the Sanctuary to Sea project through the development and implementation of a three-year strategic plan.
- Finalise the draft Restoration Strategy (including operational objectives) for the period 2018 to 2028.
- Progress planning and permits for the lower lake restoration.
- Grow involvement of iwi in restoration and conservation approaches within the sanctuary.

Key performance indicators 2018/19

- Sanctuary to Sea establishment strategy developed.
- Restoration Strategy 2018 to 2028 finalised.
- Lower lake restoration operational plan and fish management plan completed.
- Conservation and restoration hui for iwi held, and elements incorporated into day-to-day practice.

4.3 Building our organisation's capacity to drive transformation.

In 2016/17, ZEALANDIA recorded the highest ever revenue from paid admissions of \$1,323,196, representing an increase of 15% on 2015/16. As a result of this, plus a raft of other sound management practices across the entire organisation, the Trust has now achieved a sustainable financial position, with a working capital buffer of \$781,639 at 30 June 2017, an increase of \$333,375 from last year's position. The Trust's objective is to continue to build working capital to support organisational resilience and enable reinvestment in key strategic projects

ZEALANDIA currently has extremely limited and sub-standard accommodation for staff, volunteers and interns, and our research and education programmes. Our research and education work is nationally recognised and a core element of how we deliver value to Wellington, however, our current facilities will not accommodate the researchers, educationalists, interns, volunteers and support staff required to manage these programmes.

The long term capital investment required to address capacity constraints will enable ZEALANDIA to maintain existing programmes and activities, and realise our full potential as a major asset for our city. We are already an internationally recognised, world-class site, as indicated by our success in attracting increasing numbers of visitors, volunteers, researchers and interns, and the next 10 years will see us driving hard to become an exemplar of a fully integrated, world leading conservation organisation offering outstanding opportunities for cutting-edge research, education, visitor experience, interpretation and outreach.

We will build our continuous improvement culture which has been pivotal in driving recent successes. Investing in staff development (including our volunteers and interns), providing tools and infrastructure which allows the teams organisation-wide to evolve and optimise best practice will be key in our long term sustainable development. As a lean organisation, the teams will also endeavour to maximise the partnerships which offer win-win opportunities for all those involved.

Current programmes

As our visitor numbers grow we will continue to develop plans to utilise the Visitor Centre and our other buildings to maximum effect and to support our research and education programmes, our visitor experiences, our strategic partnerships, and our commercial activities.

We will continue to provide high quality commercial services that connect visitors with nature through:

- Highly attractive visitor experiences
- Premium and custom tours
- Annual membership
- The Rata Café
- Corporate and private functions held within our facilities
- Our retail store and retail offerings
- Exhibitions and events
- Marketing and communications
- We will continue to explore new commercial products and services to drive revenue and enhance the visitor experience.

Strategic Initiatives

- Negotiate and conclude the Long Term Capital Plan 2018-2027 with the support of WCC that fully fits the valley, visitor centre and staff accommodation to our purpose over the period of our 2nd generation strategy.
- Develop smart initiatives to grow our people (staff, volunteers and interns), support systems and enduring financial vitality.
- Reshape our communications channels to actively support visitor experiences, programmes, partnerships and impact – to tell our stories.
- Maintain our Carbon Zero accreditation.
- Improve awareness around sustainable practices internally and for visitors by strategic uses of signage and messaging.
- Continue to demonstrate leadership in sustainability through our project to replace the ZEALANDIA diesel minibus with two fully electric minibuses as part of EECA's programme for demonstrating the viability of the new, low carbon vehicle technologies, and in partnership with Meridian Energy.
- Focus on driving down waste through auditing waste and identifying opportunities to reuse and recycle. We will continue to make sustainability a cornerstone of our thinking and practice in all that we do and endeavour to continue to reduce our Carbon footprint and impact on the environment generally.
- Glaze in the Rata Café balcony through a WCC funded capital project to improve café utilisation and create a year round space suitable for corporate and community functions and events.

- Improve our IT systems to ensure they are fit for purpose so we can operate efficiently and effectively

Key performance measures/indicators 2018/19

- A net surplus before depreciation and tax of \$324,600
- Non-WCC grant revenues equating to >75% of overall income
- 10,800 members
- Membership subscriptions \$312,100
- Full cost per visitor (including WCC costs) \$18.35
- Average WCC subsidy per visitor \$8.80
- Average revenue per visit \$26.48
- Non-Council Donations/Funding \$270,000

4.4 Creating inspiring, accessible experiences and change through example and shared passion for action.

We will provide experiences for our members, volunteers, partners and visitors that will inspire them to engage with nature, and we will continue to develop the range of experiences that we can offer. By giving visitors an understanding of ZEALANDIA's goals in the urban and rural environment and the value of the work that we do, they are more likely to engage with us and act as ambassadors for our message. This level of engagement will encourage more people to visit the sanctuary and spread the message of the significant role ZEALANDIA plays in restoring our natural heritage to Wellington city and beyond. It will also encourage people to initiate action in other local, national or international restoration work.

In 2017/18 we launched two new tours (ZEALANDIA by Day and Twilight at ZEALANDIA) targeting international visitors. The tours enrich their visitor experience, by providing them with a deeper understanding of our native flora and fauna and our cultural history. This coming year we will continue the development of these products to increase their appeal to a larger number of visitors.

Current programmes

- Provide experiences that increase people's understanding of New Zealand's natural heritage, and conservation challenges and successes here and elsewhere.
- Provide world-class facilities for visitor experiences and opportunities for an enhanced connection with nature.
- Provide high quality volunteering experiences that increase our connections and engagement with the community.
- Provide a diverse range of experiences for members and volunteers; researchers and academics; community and corporate groups; local Wellingtonians; and visitors from across New Zealand and other countries (both independent travellers, and those on tours and cruise ships).
- Work in partnership with Be.Accessible and through a process of continuous improvement make ZEALANDIA as accessible as possible to any visitor regardless of ability.

Strategic Initiatives

- Continue development and delivery of signage and interpretation upgrades alongside overall visitor experience planning.
- Continue to grow partnerships and programmes that enable us to work with and through others in community restoration projects.
- Develop new tours experiences that enable visitors to build a deeper understanding of our conservation and restoration activities, and our natural heritage.

Key performance measures/indicators 2018/19

- Visitor numbers – 99,300 separate visitations with breakdown of visitor demographics
- 8,800 education visitors
- Visitor experience – ZEALANDIA achieves a satisfied visitor rating of 95% or greater
- Continue to improve accessibility and achieve Be.Accessible Gold rating.
- Maintain > 450 volunteers, with the establishment of new avenues for people to volunteer
- > 80% of volunteers are satisfied with their experience of volunteering at ZEALANDIA

4.5 Forming strong and enduring local, national and international partnerships based on shared goals.

Partnerships continue to be critical for all aspects of our activity. They provide the foundations for our conservation, education and corporate presence in Wellington.

Our most important strategic partner, at many levels, is the Wellington City Council. We also rely on and value partnerships with Victoria University of Wellington, Taranaki Whānui, University of Waikato, Wellington Water, Greater Wellington Regional Council, the Department of Conservation, and organisations such as Te Papa, Wellington Zoo and Otari Wilton's Bush plus other Wellington CCO's, the Tenth's Trust, other mainland sanctuaries, and many others.

Integrating our plans with the vision and plans of others is essential to the achievement of our vision.

Current programmes

- We will continue to recognise the strategic priorities of the Council as an important part of the strategic context for ZEALANDIA, and to align our strategies and priorities closely with those of Wellington City. (See earlier section 2 in this document The Strategic Partnership with Wellington City Council)
- We will continue to recognise the central importance of our members and volunteers and provide opportunities for them to contribute to, and benefit from, a close relationship with ZEALANDIA.

- We will continue to work with key partners and grow the community involvement for the delivery of our Sanctuary to Sea project.
- We will continue to engage with our neighbours in the local community, and the wider Wellington community, to seek and foster community support for ZEALANDIA, and encourage participation in our activities.
- We will continue to provide support to the Karori Predator Free community action and the clean-up of the Birdwood Reserve.
- We will continue to work closely with our many research partners to develop evidence-based practice across our organisation and further afield.

Strategic Initiatives

- Significant progress has been made in 2017/18 in strengthening partnerships with Māori and building-in to our structure and practice greater recognition of the importance of mātauranga Māori and te ao Māori. This work is ongoing and forms a key element of our relationship-based activity.
- We will build our sanctuary-based research in collaboration with other sanctuaries to address key conservation management issues.
- We will grow and develop our core partnership with Wellington City Council to make an outstanding biophysical, community, learning and economic contribution to Wellington.
- We will continue to play an active role in Predator Free Wellington, contributing to the delivery of school-based programmes and supporting the creation of nature-rich areas following pest eradication.
- We will cement our emerging international networks that help strengthen New Zealand's influence in the world in restoring people's connection with our natural heritage.

Key performance indicators

- Capability developed to enable closer partnerships with iwi and integration of Mātauranga Māori.
- Delivery of education programmes as part of the Predator Free Wellington partnership.
- Continue to grow our relationship with VUW, the University of Waikato, and Manaaki Whenua Landcare Research among others, as the basis of our Centre for People and Nature.
- Develop our partnerships with schools to deliver our Sanctuary to Sea outreach programme.

4.6 Embracing Mātauranga Māori and other knowledge frameworks.

As indicated in 4.5 above, significant progress has been made in 2017/18 in this area. A new kaitiaki ranger position has been created and filled, a senior manager recruited with specific responsibility in this area, and various other initiatives are underway including te reo classes for staff. This work will continue in 2018/19.

We will continue to develop our long term programme of research, which now (alongside our education outreach activities) will be encompassed under the Centre for People and Nature which was announced in January 2018. The focus of ZEALANDIA led-research is to provide an evidence base to inform all our programmes and activities, and to develop the global understanding of the connection between people and nature. Under the umbrella of this Centre

significant research is currently being conducted by partner organisations, and we will continue to support this effort to the fullness of our capacity. Victoria University of Wellington remains a principal partner under our joint MOU, along with a number of other universities nationally and internationally expressing interest in closer collaborations. We aim to attract a growing number of national and international researchers and students to Wellington.

Current programmes

- Undertake and support research that will increase our understanding about the flora, fauna, and the habitats and ecological processes that threaten or sustain them, and that can inform and benefit restoration initiatives elsewhere in New Zealand.
- Undertake and support research that will increase our understanding of how the visitor experience can be improved, perspectives and benefits of volunteering, and benefits people receive from nature.
- Show leadership in interdisciplinary research focused on the interaction between people and nature.
- Create a supportive environment for staff, volunteers and researchers to ensure research and learning are encouraged and embraced.

Strategic Initiatives

- Continue to grow and integrate Mātauranga Māori perspectives into all elements of ZEALANDIA project and programme development processes.
- Build on and broaden the content emerging from the Centre for People and Nature with a primary focus on supporting our activities with exceptional evidence.
- Develop our national strategic position in research through co-leadership of the international Society for Conservation Biology Oceania conference, 2018, being held in Wellington.
- Identify the range of avenues available for communicating our learnings to other sanctuaries and other conservation/restoration initiatives.

Key performance indicators for 2018/19

- Mātauranga Māori and iwi engagement incorporated into planning processes for ZEALANDIA projects.
- Delivery of the 2018 Conference of the Society for Conservation Biology Oceania in Wellington, as co-organiser with VUW.
- Support the ZEALANDIA team in giving talks and participating in other initiatives such as workshops that enable the broader communication of our knowledge for use in other locations.
- Increase the number of schools and departments (university or polytech) that are engaged with the sanctuary.
- Maintain (and grow where possible) the number of peer-reviewed science publications emerging from the ZEALANDIA team.

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

We continue to actively engage with schools and communities by enabling them to experience ZEALANDIA's variety of ecosystems and species, and by helping them to understand the steps needed to start their own backyard or community restorations. Our award-winning education programme supports both in-valley learning and outreach programme supporting schools in creating nature-rich environments in their own 'special places'.

The ongoing development of the interdisciplinary research programme is increasingly supporting learning through higher education, including universities and polytechnics (covered in section 4.6 above).

The establishment of the Centre for People and Nature provides an overarching structure for the further enhancement of all aspects of our work relating to knowledge creation.

Current programmes

- Carry out programmes through which students of all ages can experience ZEALANDIA, whether that be through our guided school education programme, or providing the facility for use by higher education programmes.
- Conduct outreach to schools to connect with students who cannot make it to ZEALANDIA, and to support conservation efforts in their 'special place'.
- Provide school-based programmes to Wellington schools as a partner in Predator Free Wellington.
- Provide schools with educational resources that enable them to become actively involved in the study of nature and take action to improve native biodiversity.

Strategic Initiatives

- Continue the development and establishment of ZEALANDIA's Centre for People and Nature as announced in mid-2017/18.
- Develop a long-term learning and engagement strategy to activate people-led conservation through formal and informal learning and conservation opportunities both in the valley and in the community.
- Continue to raise funds to support our education programmes, with a focus on opportunities for those less able to access conservation experiences and learning.

Key performance measures/indicators 2018/19

- Learning and Engagement strategy developed that enables detailed and strategic long-term programme planning.
- Deliver agreed education programmes under the partnership with Predator Free Wellington
- Deliver agreed school-based conservation education in Wellington as part of the Predator Free Wellington partnership and Sanctuary to Sea programmes.
- Continue to deliver valley-based and outreach programmes under our Ministry of Education LEOTC contract
- Maintain the number of interns per year currently engaging with the sanctuary to provide learning experiences to students across a range of disciplines.

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

A significant outcome of the conservation success of ZEALANDIA is demonstrated by the native birdlife spilling over the sanctuary's fence and into the city. Recognition of ZEALANDIA as a key site, both as a wellspring of biodiversity and a focal point for environmental inspiration, is essential in terms of the city's wider aspirations.

We work to educate our visitors and wider community on how to make their backyards a safe place for our native birds and how to interact safely with them. We work with Wellington City Council, Predator Free Wellington and other community groups to educate and inform on creating nature-rich and pest-controlled areas, thereby creating safer areas for native wildlife. ZEALANDIA will continue to be a place where people learn about nature and what can be achieved with a successful restoration programme, and work with and through other groups to expand community knowledge and conservation action. Communities will be offered opportunities to learn how to monitor and manage threats from pest plants and animals, participate in research projects, grow and plant native plants, monitor native wildlife and take this learning back out to their communities. We see a growing coalition of citizen scientists who champion and celebrate New Zealand's natural heritage.

Current programmes

- Provide education programmes that increase people's understanding of New Zealand's natural heritage, and the conservation challenges and successes here and elsewhere.
- Provide high quality volunteering experiences that increase our connections and engagement with the community.
- Provide an annual programme of events and workshops on conservation, restoration and environmental topics.

Strategic initiatives

- Develop a long term visitor experience plan aligned with the restoration and valley management plans.
- Review and develop ZEALANDIA's volunteer programme to provide learning and development opportunities that are applicable both inside and outside the sanctuary.
- Increase the diversity of ZEALANDIA's partners and volunteers by working with and through a wider variety of community organisations.
- Develop and deliver visitor programmes and events that appeal to both current and potential new audiences.

Key performance indicators for 2018/19

- A long term visitor experience plan developed and delivered.
- Greater diversity of learning opportunities and programmes offered to volunteers.
- Greater diversity in the audiences attracted by our visitor programmes and events.
- Improved signage and interpretation within the sanctuary.
- ZEALANDIA education programmes, resources and opportunities further developed.

5. Performance Measurements

5.1 KPI Scorecard 2018/19

Restoring Te Māra a Tāne and its extending halo of biodiversity (4.2) <ul style="list-style-type: none"> Sanctuary to Sea establishment strategy developed. Restoration Strategy 2018 to 2028 finalised. Lower lake restoration operational plan and fish management plan completed. Conservation and restoration hui for iwi held, and elements incorporated into day-to-day practice. 	Building our organisation's capacity to drive transformation (4.3) <ul style="list-style-type: none"> A net surplus before depreciation and tax of \$324,600 Non-WCC grant revenues equating to >75% of overall income 10,800 members Membership subscriptions \$312,100 Full cost per visitor (including WCC costs) \$18.35 Average WCC subsidy per visitor \$8.80 Average revenue per visit \$26.48 Non-Council Donations/Funding \$270,000
Creating inspiring, accessible experiences and change through example and shared passion for action (4.4) <ul style="list-style-type: none"> Visitor numbers – 99,300 separate visitations with breakdown of visitor demographics 8,800 education visitors Visitor experience – ZEALANDIA achieves a satisfied visitor rating of 95% or greater Continue to improve accessibility and work to attain the Be.Accessible Gold rating. Maintain > 450 volunteers, with the establishment of new avenues for people to volunteer > 80% of volunteers are satisfied with their relationship with ZEALANDIA 	Forming strong and enduring local, national and international partnerships based on shared goals (4.5) <ul style="list-style-type: none"> Capability developed to enable closer partnerships with iwi and integration of Mātauranga Māori. Delivery of education programmes as part of the Predator Free Wellington partnership. Continue to grow our relationship with VUW, the University of Waikato, and Manaaki Whenua Landcare Research among others, as the basis of our Centre for People and Nature. Develop our partnerships with schools to deliver our Sanctuary to Sea outreach programme.
Embracing Mātauranga Māori and other knowledge frameworks (4.6) <ul style="list-style-type: none"> Mātauranga Māori and iwi engagement incorporated into planning processes for ZEALANDIA projects. Delivery of the 2018 Conference of the Society for Conservation Biology Oceania in Wellington, as co-organiser with VUW. Support the ZEALANDIA team in giving talks and participating in other initiatives such as workshops that enable the broader communication of our knowledge for use in other locations. Increase the number of schools and departments (university or polytech) that are engaged with the sanctuary. Maintain (and grow where possible) the number of peer-reviewed science publications emerging from the ZEALANDIA team. 	Being a hub where people of all ages can learn, create new knowledge and share their insights and understanding (4.7) <ul style="list-style-type: none"> Learning and Engagement strategy developed that enables detailed and strategic long-term programme planning. Deliver agreed education programmes under the partnership with Predator Free Wellington Deliver agreed school-based conservation education in Wellington as part of the Predator Free Wellington partnership and Sanctuary to Sea programmes. Continue to deliver valley-based and outreach programmes under our Ministry of Education LEOTC contract Maintain the number of interns per year currently engaging with the sanctuary to provide learning experiences to students across a range of disciplines.

Equipping people with experience and skills for a nature-rich future (4.8)	
<ul style="list-style-type: none">▪ A long term visitor experience plan developed and delivered.▪ Greater diversity of learning opportunities and programmes offered to volunteers.▪ Greater diversity in the audiences attracted by our visitor programmes and events.▪ Improved signage and interpretation within the sanctuary.▪ ZEALANDIA education programmes, resources and opportunities further developed.	

5.2 Non-financial Performance Measures

Measure	2017-18 forecast	2018-19	2019-20	2020-21
Visitation	111,210	99,300	102,200	105,200
Members (Individuals)	11,245	10,800	11,000	11,200
Volunteers	>430	>450	>470	>490
Percentage of Satisfied Visitors	>92%	>95%	>95%	>95%

Measure	2017-18 forecast	Q1	Q2	Q3	Q4	2018-19	2019-20	2020-21
Visitation	111,210	14,317	32,203	32,724	20,056	99,300	102,200	105,200
Education visits ¹	8,650	1,882	3,468	1,216	2,234	8,800	8,800	8,800

¹ (LEOTC, tertiary, early childhood, school holiday programme, and outreach)

In response to the Council's previous request for more detailed information regarding visitor demographics and education related usage of the sanctuary, this data is collected by the Trust and can readily be provided. Details such as where visitors reside are collected at the admissions desk. Member visits are recorded daily and tracked on a weekly basis.

ZEALANDIA also uses GetSmart, an online visitor survey that is used by approximately 10 nature based attractions across Wellington, which provides valuable benchmarking information. This survey collects information on the reason for visiting, duration of visits, visitor demographics and satisfaction ratings. A summary and analysis of this information is provided to Council on a quarterly basis, along with more detailed information on education visits, to offer a richer picture of visitation to the sanctuary.

5.3 Financial Performance Measures

Measure	2017-18 forecast	2018-19	2019-20	2020-21
Full cost per visitor (including WCC costs)	\$18.78	\$18.35	\$18.23	\$18.11
Average subsidy per visit (total WCC operating grant/all visitors)	\$9.07	\$8.80	\$8.54	\$8.28
Average revenue per visit (excludes Council & Government grants)	\$26.22	\$26.48	\$26.74	\$27.01
Non-Council Donations/Funding	\$265,000	\$270,000	\$275,000	\$280,000

5.4 Conservation Measures

Measure	2017-18 forecast	2018-19	2019-20	2020-21	Explanation
Restore missing species to the wild in accordance with the Restoration Strategy					
% transferred animal species regarded as self- sustaining	79%	73%	70%	70%	14/18 species regarded as self-sustaining (assuming ongoing current management); 2 transfers failed (tomtit, weka) and 2 (bellbird, Long-fin eels) not regarded as self-sustaining; Note: it usually takes several breeding seasons before a transfer can be regarded as self-sustaining (successful breeding, population stable or increasing) so % will reduce with new transfers eg to 70% (14/20) after a transfer in 2019/20
Number of new species transferred or 'topped up'	0*	1	0	1	Transfers to be determined following review of Restoration Strategy. In 2018/19 we aim to revisit opportunities for titipounamu (rifleman), though there remain uncertainties about the source population. <i>*Note: Transfers also undertaken in these years to Cape Sanctuary (kaka).</i>

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

Measure	2017-18 forecast	2018-19	2019-20	2020-21	Explanation
Maintain or improve the population status of nationally threatened species present					
# threatened fauna species present and breeding successfully	4	4	4	4	Hihi, Maud Island frog; Cook Strait Giant Weta; tuatara; excludes takahe held primarily or temporarily for advocacy purposes
Manage species held for captive breeding purposes to ensure they remain healthy and breed successfully					
# species breeding in captivity	2	2	2	2	Maud Island frogs and Barking geckos
Monitor animal pest status, control mice and successfully respond to any incursions					
Mice maintained to target level	<10	<10	<10	<10	The figure gives an abundance index based on the average abundance/100 corrected trap nights
% pest animal incursions successfully eradicated	100%	100%	100%	100%	Assumes any incursions successfully eradicated
Monitor plan pest status and reduce distribution of environmental weeds (currently 123) within and near the perimeter fence					
# pest plant species actively controlled or surveyed	44	44	44	44	44 environmental weeds identified as priorities
# pest plant species where control has achieved a decline to low levels of infestation in the sanctuary	53	53	53	53	Control also undertaken outside the perimeter fence for key species to improve feasibility of ongoing suppression inside the fence

5.5 Conservation Activities

Activities [note, some activities are dependent on successful permits and translocation operations]	2018-19	2019-20	2020-21
Begin restoration of the lower valley streams, wetland and lake			
- initiate development and agreement of an overarching multifaceted strategic plan	update	update	update
- Research underway according to a research plan	ongoing	ongoing	ongoing
- Develop a fish eradication operational plan	Jun-18	implement	
- Obtain necessary permits	ongoing		
- Implementation of plans	ongoing	ongoing	ongoing
Translocations			
Titipounamu (rifleman)	March/April-19		

Activities	2018-19	2019-20	2020-21
Post-release monitoring for translocated species			
Spotted skink monitoring	ongoing	complete	
Kākahi (freshwater mussel, depending on completion of 2018 translocation)	ongoing	ongoing	
<i>Bracyglottis kirkii</i> var. <i>kirkii</i>	ongoing	ongoing	
Titipounamu (rifleman)		ongoing	ongoing

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6. The Karori Sanctuary Trust Board's Approach to Governance

6.1 The Trust Deed

The Karori Sanctuary Trust (the Trust) is an incorporated society that is governed by a Trust Deed, first executed in 1995 and most recently updated in October 2016.

We operate as a not-for profit organisation, a social enterprise, seeking to do public good by operating in a way that follows sound commercial disciplines.

As set out in our Trust Deed, the objects of the Trust are as follows:

- To carry out education and research into all matters pertaining to the conservation and restoration of New Zealand's natural heritage and in particular to restore representative examples of New Zealand's natural heritage.
- To establish and maintain a secure native wildlife sanctuary in the Karori Reservoir in the City of Wellington.
- To restore the reservoir area ecosystem as closely as practicable to its presumed pre-human state but allowing for construction of specific habitats to enhance its diversity and conservation values.
- To provide facilities for recreation and tourism activities.
- To seek and foster community support and participation.
- To manage and manipulate such ecosystems as may be necessary to maintain requisite populations.

The Trust operates as ZEALANDIA, under the guidance of a Trust Board.

6.2 Relationship with Wellington City Council

The Trust became a Council Controlled Organisation from October 2016 with the transfer of the ZEALANDIA Visitors Centre to Wellington City Council and the repayment of the loan on the building. The new Deed of Variation of Trust signed in October 2016 sets out the new requirement for the Trust Board to consist of a minimum of five persons and a maximum of up to seven persons. The Council can appoint a maximum of six persons, and the Trusts Board can appoint up to two persons following consultation with the Guardians and approval of the Council.

The Wellington City Council is a strategic partner, a trustee appointee, a major funder and the landlord of the Trust

The Funding Deed between Council and the Trust sets out Council's reporting and monitoring regime and the conditions for major transactions requiring Council approval. The Trust will report quarterly to the Council through the Environment Committee on the agreed measures, which will include a Statement of Financial Performance, Statement of Financial Position and Cash Flow Statement.

The Trust's audited accounts will be presented to the Council by due date. The Trust will continue to recognise Council as a principal funder.

The principles governing the relationship between the Trust and Council are:

- Council will be provided with access to information it requests.

- A “no surprises” approach.
- Work in a collaborative and constructive manner recognising each other's viewpoints and respecting differences.
- Act towards each other honestly and always in good faith.
- Communicate with each other openly, promptly, and in a clear and timely manner.
- Recognise the accountabilities that each has to the other and to those for the benefit of whom services are provided.

6.3 Board Membership

The members of the Karori Sanctuary Trust are:

Trustee	Term Expires
Denise Church (Chair), appointed by the Council	December 2018
Phillip Meyer , appointed by the Council	TBC
Pete Monk , appointed by the Council	June 2020
Steven Thompson , appointed by the Guardians	July 2018
David Bibby , appointed by the Guardians	January 2019
Russell Spratt , co-opted by the Board	TBC

- The revised Karori Sanctuary Trust Deed signed in October 2016 outlines the roles of the Trust and the Guardians. All trustees may receive an honorarium set by the Council and Guardians.
- The Trust Board shall meet no less frequently than eight times a year.
- The Chief Executive attends all meetings accompanied by their management team as required.
- Under the terms of the Trust Deed, the Board is required to have an Audit and Risk Committee. The terms of reference for this committee require that it meets at least four times a year. Members of the Audit and Risk Committee are Denise Church, Phillip Meyer and Iain Craig (an independent member).
- The Board may choose to set-up any new committees as deemed necessary in order to maintain an appropriate level of oversight.
- Trustees will contribute knowledge and skills across a range of work areas during the 2017/18 year and may from time to time contribute to working groups established by the Chief Executive.
- 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.

6.4 Board Performance

The Chair and the Board as a whole will participate in regular reviews of their performance as follows:

- The Board as a whole by the Board.
- Individual Board members by the Board, through the Chair.
- The Chair by the Board.

The method/standards used to assess the performance will be based on the standards issued by the Institute of Directors in New Zealand, adapted for the Trust. From these reviews, development needs and any other actions required to ensure best practice governance and performance standards will be determined and implemented.

The last external review for the Board was held in November 2016, the next review is scheduled for the second half of 2018.

The Board will undertake a review of the Chief Executive's performance in July 2018.

6.5 Annual General Meeting

By established practice the Trust holds each year an Annual General Meeting (AGM) of members to discuss the Annual Report and current strategies. The Board establishes a date for the AGM in consultation with the Guardians.

The 2017 AGM was held on 15 October, and was well attended.

The next AGM will be held on 14 October 2018.

7. Organisational Health, Capability and Risk Assessment

7.1 Organisational Health and Capability

Our aim is deliver our work by attracting and retaining talented and capable staff and through strategic partnerships. Critical to our success is having experienced and motivated staff. Training and professional development for staff will continue to be a priority for 2018/19.

We will continue to work closely with Victoria University, Council (e.g. shared services initiative) and other partners to build the capability of the organisation.

7.2 Executive Team

Paul Atkins	Chief Executive Officer (appointed November 2015)
Danielle Shanahan	Manager Conservation, Research, Learning and Experience
Chris Fitzgerald	Manager Commercial Development
Anastasia Turnbull	Manager Learning and Engagement
Matthew Valentine	Manager Corporate Services

7.3 Environmental Practices

The Trust is committed to and incorporates sustainable practices.

ZEALANDIA has been awarded the Qualmark EnviroGold and the EnviroMark carboNZero accreditation.

The Rata Café has been accredited with all Conscious Consumer badges and is in the process to become organic certified as the kitchen garden extends to selling produce as well as providing it for the café business.

8. Health and Safety

The Trust has robust Health and Safety systems in place and a detailed Emergency Procedure Action Plan that complies with the Health and Safety at Work Act 2015.

Key actions taken or underway

- As part of their due diligence obligations, the organisation's officers now regularly dedicate time to focusing on a particular area of the operation and through consultation get a more comprehensive understanding of the risks in that area and where improvements might be made.
- Incident reports are now not only reviewed on a regular basis but a new procedure of sign off that ensures the officers are happy with the investigations and outcomes has been implemented.
- The CEO is a member of the "Business Leaders Health and Safety Forum" and uses this to inform and keep abreast of best practice models.
- We continue to ensure employees and volunteers have an inclusive role in the identification and management of health and safety matters; including using the Health and Safety Committee to give a direct line of communication and ownership around Health and Safety matter across all areas of the Organisation
- We maintain a training regime that ensures there is a good level of coverage of personnel who can confidently deal with first responder medical and emergency situations throughout the site at all times.
- We have instigated an Employee Support Programme through EAP Services which provides free and confidential support to all employees.

Initiatives planned

We will continue to:

- evolve our policies and processes as WorkSafe publishes new guidelines and requirements become clearer.
- foster a collaborative and proactive approach within the organisation and with our partners.
- engage with the PCBU's of other organisations with which the Trust works, partners, or otherwise deals, or is considering dealing with, to require more robust evidence of their suitability and pertinent qualifications before working with them.
- work with agencies such as the Wellington Regional Emergency Management office, the Rural Fire Authority, Search and Rescue New Zealand, and other Wellington City Council community controlled organisations, to develop relationships and review joint working relationships.

- engage with WorkSafe with a view to reducing our ACC levy payments by undertaking recommended programmes and assessments.
- identify and organise ongoing training to reach or exceed best practice levels in all areas.

8.1 Asset Management Plan

In 2016/17 the Trust reviewed its asset register in detail and wrote off a small number of assets. In 2018/19 we will continue to improve our asset management systems and explore if there are ways to integrate these with the systems used by WCC.

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8.2 Risk Management

The Trust regularly reviews all known and potential risks. A robust risk management process, using standard risk methodology, is monitored by the Audit and Risk Committee and reported to the Board.

The Trust has robust fit-for-purpose systems and processes and financial delegations.

The Trust has insurance policies for Material Damage, Business Interruption, Combined Liability (Public, Employer, Statutory, Fidelity Guarantee and Lawsafe) and Trustee Liability.

For medium and high risks, control systems and management strategies are established, as appropriate. The objective is to reduce the residual risk to the point where all cost-effective mitigations have been put in place. The Audit and Risk Committee is responsible for reviewing these strategies. The Trust's management is responsible for their implementation. There are four response types, depending on the risk assessment and cost effectiveness considerations. These are:

- **Avoidance:** To eliminate the conditions that allow the risk to be present at all, often by changing or stopping the activity.
- **Acceptance:** To acknowledge the risk's existence, but to take no pre-emptive action to resolve it, except for the possible development of contingency plans should the risk event come to pass.
- **Mitigation:** To minimise the probability of a risk's occurrence or the impact of the risk should it occur.
- **Deflection:** To transfer the risk (in whole or part to another organisation, individual, or entity – such as through insurance).

A process to review and update the framework for the risks register is currently underway and will be completed and applied during the first quarter of the 2018/19 financial year. The new format will employ a risk matrix similar to that indicated below, with likelihood and consequence tables providing a greater degree of clarity in line with current best-practice. The revised framework will be included in the first quarterly report to Council in 2018/19.

Probability of Risk	Impact of Risk					
	2	3	4	5	6	7
1	3	4	5	6	7	8
0	2	3	4	5	6	7
-1	1	2	3	4	5	6
-2	0	1	2	3	4	5
-3	-1	0	1	2	3	4

9. Additional Information

9.1 Response to other specific Letter of Expectation matters (if applicable)

None

9.2 Ratio of Shareholders' Funds to Total Assets

Please refer to the Balance Sheet included in the Accounting policies (Appendix A).

9.3 Estimate of Amount Intended for Distribution

The Karori Sanctuary Trust is a not-for-profit organisation and registered charity and does not make a distribution to the Settler.

9.4 Acquisition Procedures

The Trustees have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or any organisation.

9.5 Activities for which the Board seeks Compensation from a Local Authority

Total funding from Wellington City Council in 2018/19 is \$840,000. The development of the Trust's 10 year sustainable business plan anticipates as a baseline the continuation of the current level of funding.

9.6 Estimate of Commercial Value of Shareholders' Investment

Not applicable.

Appendices

Appendix A: 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.

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.

ZEALANDIA will continue to drive revenue and contain costs in 2018/19 and complete the year with a healthy operating surplus.

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4 APRIL 2018

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ZEALANDIA - KARORI SANCTUARY TRUST

Forecast 30-Jun-18	STATEMENT OF COMPREHENSIVE INCOME	Qtr to 30-Sep-18	Qtr to 31-Dec-18	Qtr to 31-Mar-19	Qtr to 30-Jun-19	FYE 30-Jun-19	FYE 30-Jun-20	FYE 30-Jun-21
	Trading Revenue							
862,113	Admissions	120,000	229,000	313,000	198,000	860,000	877,000	895,000
321,833	Membership Subscriptions	65,000	90,000	89,000	68,100	312,100	318,000	324,000
	Other Operating Revenue							
	Sales of Goods							
2,265,081	Other trading revenue	356,000	695,000	861,100	451,000	2,363,100	2,429,100	2,494,700
	Other Operating Revenue							
835,000	Shareholder grants	208,750	208,750	208,750	208,750	835,000	835,000	835,000
145,000	Living wage fund from WCC	36,975	36,975	36,975	36,975	147,900	151,000	154,000
540,032	Sponsorships, grants and donations	67,500	67,500	67,500	67,500	270,000	275,000	281,000
	Other operating income							
	Non-operating Revenue							
	Sub-lease and other non-operating income							
41,172	Interest income	4,500	9,000	4,500	9,000	27,000	27,000	27,000
	Other income							
5,010,231	Total Revenue	858,725	1,336,225	1,580,825	1,039,325	4,815,100	4,912,100	5,010,700
	Operating Expenses (overheads)							
3,005,121	Salaries and wages	706,000	734,000	736,500	706,000	2,882,500	2,940,000	2,999,000
557,982	Cost of goods sold	119,000	139,000	153,000	119,000	530,000	541,000	552,000
556,901	Other operating expenses	156,000	168,000	168,000	156,000	648,000	661,000	674,000
92,228	Trustee expenses	24,000	23,000	24,000	23,000	94,000	96,000	98,000
271,079	Administration costs	84,000	84,000	84,000	84,000	336,000	343,000	350,000
4,483,311	Total Operating Expenditure	1,089,000	1,148,000	1,165,500	1,088,000	4,490,500	4,581,000	4,673,000
526,920	Net Surplus/(Deficit) before Depreciation and Tax	(230,275)	188,225	415,325	(48,675)	324,600	331,100	337,700
4,812	Interest expense	3,000	2,000	1,000		6,000		
	Loss on Visitor Centre transfer to WCC							
555,648	Depreciation	147,000	147,000	147,000	147,000	588,000	590,000	590,000
(33,540)	Net Surplus/(Deficit)	(380,275)	39,225	267,325	(195,675)	(269,400)	(258,900)	(252,300)

ZEALANDIA - KARORI SANCTUARY TRUST

Forecast 30-Jun-18	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-18	As at 31-Dec-18	As at 31-Mar-19	As at 30-Jun-19	As at 30-Jun-19	As at 30-Jun-20	As at 30-Jun-21
	Equity							
3,852,708	Trust Funds	3,819,168	3,438,893	3,478,118	3,745,443	3,819,168	3,549,768	3,290,868
(33,540)	Current year earnings	(380,275)	39,225	267,325	(195,675)	(269,400)	(258,900)	(252,300)
3,819,168	Total Shareholder/Trust Funds	3,438,893	3,478,118	3,745,443	3,549,768	3,549,768	3,290,868	3,038,568
	Current Assets							
230,000	Cash and cash equivalents	113,704	214,929	550,921	506,246	506,246	837,346	1,180,046
45,000	Accounts receivable	45,000	45,000	45,000	46,000	46,000	51,000	51,000
	Prepayments							
45,000	Inventory	45,000	45,000	45,000	50,000	50,000	55,000	60,000
	Other current assets							
320,000	Total Current Assets	203,704	304,929	640,921	602,246	602,246	943,346	1,291,046
	Investments							
1,060,000	Term deposits	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000
	Other investments							
1,060,000	Total Investments	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000
	Non-current Assets							
3,225,522	Fixed assets	3,078,522	2,931,522	2,784,522	2,637,522	2,637,522	2,047,522	1,457,522
	Intangible assets							
	Other non-current assets							
3,225,522	Total Non-current Assets	3,078,522	2,931,522	2,784,522	2,637,522	2,637,522	2,047,522	1,457,522
4,605,522	Total Assets	4,342,226	4,296,451	4,485,443	4,299,768	4,299,768	4,050,868	3,808,568
	Current Liabilities							
226,000	Accounts payable	120,000	210,000	150,000	230,000	230,000	230,000	230,000
206,000	Income in advance	510,000	280,000	410,000	210,000	210,000	220,000	230,000
109,000	Employee entitlements	100,000	100,000	110,000	120,000	120,000	120,000	120,000
177,021	Provisions and accruals	130,000	210,000	70,000	190,000	190,000	190,000	190,000
68,333	Other current liabilities	43,333	18,333					
786,354	Total Current Liabilities	903,333	818,333	740,000	750,000	750,000	760,000	770,000
	Non-current Liabilities							
	Shareholder advances							
	Other non-current liabilities							
	Total Non-current Liabilities							
786,354	Total Liabilities	903,333	818,333	740,000	750,000	750,000	760,000	770,000
3,819,168	Net Assets	3,438,893	3,478,118	3,745,443	3,549,768	3,549,768	3,290,868	3,038,568

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

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ZEALANDIA - KARORI SANCTUARY TRUST

Forecast 30-Jun-18	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-18	Qtr to 31-Dec-18	Qtr to 31-Mar-19	Qtr to 30-Jun-19	Total YE 30-Jun-19	Total YE 30-Jun-20	Total YE 30-Jun-21
	Cash Flows From Operating Activities							
	<i>Inflows</i>							
3,500,781	Trading Receipts	525,325	1,029,725	1,221,325	761,825	3,538,200	3,629,100	3,723,700
835,000	Shareholder grants	417,500		417,500		835,000	835,000	835,000
145,000	Living wage fund	147,900				147,900	151,000	154,000
540,032	Sponsorships and donations	67,500	67,500	67,500	67,500	270,000	275,000	281,000
	Other Income							
	<i>Outflows</i>							
3,005,121	Payments to Employees	715,000	734,000	726,500	696,000	2,871,500	2,940,000	2,999,000
1,450,190	Payments to Suppliers	536,021	244,000	629,000	187,000	1,596,021	1,646,000	1,679,000
	Net GST Cashflow							
	Other Operating Costs							
565,502	Net Cash Flows From (Used In) Operating Activities	(92,796)	119,225	350,825	(53,675)	323,579	304,100	315,700
	Cash Flows From (Used In) Investing Activities							
	<i>Inflows</i>							
	Sale of fixed assets							
	Sale of investment assets							
140,000	Other - Term Deposit cash-out							
	<i>Outflows</i>							
641,768	Purchase of fixed assets							
	Purchase of investments							
	Other							
(501,768)	Total Investing Cash Flow							
	Cash Flows From (Used In) Financing Activities							
	<i>Inflows</i>							
	Drawdown of loans							
41,172	Investment income	4,500	9,000	4,500	9,000	27,000	27,000	27,000
	Other							
	<i>Outflows</i>							
100,000	Repayment of loans	25,000	25,000	18,333		68,333		
4,812	Interest paid	3,000	2,000	1,000		6,000		
	Other							
(63,640)	Total Financing Cash Flow	(23,500)	(18,000)	(14,833)	9,000	(47,333)	27,000	27,000
94	Net Increase/(Decrease) in Cash Held	(116,296)	101,225	335,992	(44,675)	276,246	331,100	342,700
229,906	Opening Cash Equivalents	230,000	113,704	214,929	550,921	230,000	506,246	837,346
	Adjustments (rounding)							
230,000	Closing Cash Equivalents	113,704	214,929	550,921	506,246	506,246	837,346	1,180,046

Statement of Intent 2018/19 Wellington Cable Car Limited



**Presented to the Council Controlled Organisations Sub-Committee
Pursuant to Schedule 8 of the Local Government Act (2002)**

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WCCL Statement of Intent 2018/19

1. Introduction

Wellington Cable Car Limited (WCCL) is proud to present the Statement of Intent for 2018/19 as required by the Local Government Act, 2002 and WCCL's Shareholder, Wellington City Council. As a Council Controlled Organisation (CCO), WCCL is accounted for as a Public Benefit Entity (PBE).

WCCL has historically comprised two operating divisions – the Cable Car and the Trolley Bus Overhead Electrical Network, however, with the demise of Trolley Bus services in October 2017, WCCL is going through a significant change process. The Traction Services operating division is completing the Network Decommissioning Project, and once this is complete, this part of the business will be wound down and all remaining assets will be disposed.

Cable Car

From a regulatory perspective, the Cable Car is a funicular railway and operates under the jurisdiction of the Railways Act, 2005 (overseen by the New Zealand Transport Agency (NZTA) Rail Safety Regulator).

The Cable Car is funded solely by passenger revenue and does not receive any other central or local government funding to subsidise it. With the upturn in the local economy and international tourist visitors to New Zealand, the Cable Car carries in excess of 1,000,000 passengers per annum. Its patronage is split between local residents and visitors to Wellington. However, future growth is predicted with visitors (in particular, cruise ship passengers and free, independent travellers).

Despite the healthy passenger number, under the current fares structure, future revenue will be insufficient to fund the Cable Car's ongoing asset management programme (in particular, the replacement of rolling stock which needs to commence in 2024). WCCL will be increasing fares in July 2018 to partially bridge the gap between anticipated future costs and income received (primarily, passenger revenue). Part of the aim of the fare changes is to encourage local residents to take advantage of the significant discounts available by using multi-trip passes and discount systems such as Snapper. If this fare increase is not sufficient, further increases will be reviewed in the future.

Provision of the SuperGold scheme is another area that is causing WCCL financial angst. The Ministry of Transport caps the funding available, and the nature of the passenger usage often clashes directly with the Cable Car's busiest periods that occur when cruise ships visit Wellington (approximately 60 days per annum). This lack of sufficient SuperGold funding has been raised before with the Ministry of Transport to no avail, and this very popular scheme is not sustainable in the long term.

WCCL Statement of Intent 2018/19



Figure 1: Cambridge Tce – looking North



Trolley Bus Overhead Electrical Network

Physical decommissioning of the Trolley Bus overhead electrical network commenced in October 2017 and has proceeded extremely well to date. Practical completion is expected before December 2018, and some of the remaining physical infrastructure (Poles and Building Anchors) will be transferred to Wellington City Council on or before 30 June 2019.

The staff and supporting contractors of the Traction Services operating division have performed and behaved in an exemplary fashion throughout this unusual period in WCCL's history. Their amazing efforts to maintain operational services over many years whilst achieving very high levels of safety is gratefully appreciated. They can be justifiably proud of their efforts.

WCCL Statement of Intent 2018/19

2. Strategic Direction

a) Core Purpose

The primary business activities of WCCL are the:

1. Provision of the Cable Car passenger service, to meet the needs of local residents (including commuters and students) and visitors to Wellington. This operation is financed from passenger fare income and any additional revenue developed from WCCL and other tourism-related activities.
2. Decommissioning of the Trolley Bus overhead electrical network under contract from GWRC, using Broadspectrum as the main sub-contractor and is funded by GWRC.

Whilst WCCL still owes infrastructure pertaining to the network, additional work includes:

- Infrastructure-related activities undertaken within Wellington. Third-party projects requiring the overhead electrical network to be relocated and/or modified (for example, construction projects within the CBD);
- Maintaining WCCL's pole network funded via pole user charges from telecommunications companies using WCCL's poles to support their communication networks.
- Assisting KiwiRail with repairs and upgrades to the Wellington Region overhead rail electrical traction services network.

b) Cable Car Passenger Operating Environment Update

The operating environment during the 2017/18 year has continued to be strong, and the whole tourism industry in Wellington (including the Cable Car) has benefitted significantly from this. Further growth, in the tourism sector is predicted. Local growth is harder to predict, noting the projected relatively small population increase in Kelburn and the adjacent suburbs.

The Cable Car is the second most visited tourist attraction in Wellington after the Museum of New Zealand Te Papa Tongarewa, and customer feedback indicates that it is perceived as an iconic attraction for Wellingtonians and visitors alike. Patronage is shared between local residents (including students at Victoria University of Wellington) and tourists.

Looking further ahead, it is likely that the tourist market will take a larger share of the total number of passengers, based upon current estimates from the NZ tourism industry and the Wellington Regional Economic Development Agency (WREDA). For budgeting purposes, an annual growth rate of 1% increase in passenger numbers and revenue for the next three years has been assumed.

WCCL Statement of Intent 2018/19

c) Health, Safety, and Wellness

The Health and Safety at Work Act 2015 has now been enacted and this is already driving positive behaviours and greater collaboration between key players in the Wellington public transport sector. This includes regular meetings between PCBUs at which learnings are shared, and initiatives are discussed to promote safety and raise awareness. WCCL's partners in this process include WCC, GWRC and NZTA, Broadspectrum, NZ Bus, and Wellington Electricity.

WCCL's staff and sub-contractors have a huge role to play in the success of the Company. Looking after the most important asset WCCL possesses (its staff), and giving them the health, safety, and wellness support they need to carry on doing excellent work is important to the Company and our customers and is given a very high priority in everything that we do.

WCCL Statement of Intent 2018/19

3. Nature and Scope of Activities

The activities that are undertaken and the outputs that WCCL seeks to deliver across both operating divisions are as follows:

<u>Core Strategies</u>	<u>Key Activities and Outcomes Sought</u>
a. <u>Operation of Cable Car Service</u>	<p><u>Key Generic Activities and Outcomes</u></p> <ol style="list-style-type: none"> 1. Ensure all legal and statutory requirements are met. 2. Safe operation of the Cable Car service with no serious injuries or fatalities, by ensuring high importance is placed on the safety of staff, contractors and members of the public, and meeting statutory requirements. 3. Reliable operation of Cable Car service by ensuring appropriate staffing levels and that assets are managed in accordance with the strategy and policies outlined in Cable Car Asset Management Plan. 4. High standard of customer service provided, with convenience for regular users and a memorable experience for visitors to Wellington. 5. Stakeholder engagement with all relevant central government departments, councils, organisations, companies, suppliers and third parties whose activities impinge upon or who could affect Cable Car services. 6. Cable Car marketing activities managed in accordance with the company's Marketing Plan. This includes the promotion of Wellington as a place to live, work and play. 7. Manage the operation of the Cable Car within the timetable to maximise the throughput of passengers, without detracting from the overall experience of visitors to the facility. 8. Train employees to ensure that they perform all aspects of their work helpfully and in accordance with safety and operational requirements. 9. Set revenue targets for the Cable Car service to contribute optimally to WCCL's net profit after tax. 10. Ensure appropriate insurance cover is held for Cable Car assets and functions. 11. Cable Car Health and Safety Plan kept up to date and appropriately managed. 12. Ensure the ongoing viability of the Cable Car

WCCL Statement of Intent 2018/19

<u>Core Strategies</u>	<u>Key Activities and Outcomes Sought</u>
b. <u>De-Commissioning of Trolley Bus Traction Services</u>	<p>13. Ensure the future planning for the Cable Car and its importance to the Wellington visitor economy and visitor experience, specifically by working closely with WCC, WREDA, and other CCOs / Trusts.</p> <p>14. Ensure the Company considers opportunities to utilise WCC's shared services capabilities which are fit for purposes and scale of the Company's activities, as and when these opportunities are presented; specifically, in relation to the provision of information technology support.</p> <p><u>Key Generic Activities and Outcomes</u></p> <ol style="list-style-type: none"> 1. Ensure all legal and statutory requirements are met. 2. Ensure the safe and efficient de-commissioning of the Trolley Bus Overhead Network (which is scheduled to complete by December 2018). 3. Stakeholder engagement with all relevant central government departments, councils, organisations, companies, suppliers and third parties whose activities impinge upon or who could affect Trolley Bus services. 4. Train WCCL employees (and Broadspectrum employees where necessary) to ensure that they can perform all aspects of their work satisfactorily and in accordance with safety and operational requirements. 5. Ensure appropriate insurance cover is held for Traction Services assets and vehicles, excluding the overhead electrical network infrastructure. 6. Dispose of Traction Services assets and vehicles, when practicable. 7. Liaise and negotiate with WCC, GWRC, utility companies and broadband providers to manage third party use of WCCL Poles for safety reasons and to secure revenue. 8. Provide assistance to organisations that need to relocate overhead electrical network assets for road building/modification purposes or earthquake strengthening works. 9. Enable the efficient and effective transfer of the pole network assets post de-commissioning to Wellington City Council.

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4. Performance Measurements

a) Cable Car Passenger Services Performance Measures

Performance Indicator	Measure	Target/Result
Cable Car vehicles, track, tunnels, bridges, buildings and equipment are maintained to required safety standards	Approval by NZTA Rail Safety Regulator to be obtained each year	Timely approval received
Cable Car Service Reliability	Percentage Reliability	Greater than 99.0%
Cable Car User Satisfaction Survey	<p><u>Local Residents:</u></p> <p>How often do you use the Cable Car?</p> <p><u>Tourists:</u></p> <p>How do you rate the visitor experience on the Cable Car?</p>	<p>X% travel on the Cable Car at least once every year</p> <p>2018/19 – 52% 2019/20 – 54% 2020/21 – 56%</p> <p>Y% of respondents provide a rating of greater than 6 on a scale of 1 to 10</p> <p>2018/19 – 91% 2019/20 – 92% 2020/21 – 93%</p>
Cable Car Service maintains Qualmark endorsement to verify that the Cable Car Service meets established tourism standards	Qualmark endorsement maintained	Qualmark endorsement maintained when annual requalification is required
Cable Car Asset Management Plan (AMP) implemented and maintained	Asset Management Plan as approved by the Board is implemented with care and efficiency.	Asset Management Plan implemented, and long-term planning and financial implications fed into WCCL and WCC planning and financial systems
Cable Car Passenger Trips	Passenger trips as per the estimates below	Passenger trip estimates achieved, or variances explained

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Estimated Cable Car Passenger Numbers and Revenue					
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
2017/18 (SOI Estimates)	206,367	293,010	375,962	216,589	1,091,928
2017/18 (Pax)	190,600 ²	330,011	375,962 ¹	216,589 ¹	1,113,162
2017/18 (Revenue)	577,441	882,835	\$1,053,333 ¹	\$536,983 ¹	3,050,592
2018/19 (Pax)	190,269	325,642	375,856	243,479	1,135,246
2018/19 (Revenue)	\$533,317	\$1,028,047	\$1,242,635	\$716,750	\$3,520,749
2019/20 (Pax)	192,059	326,366	379,559	245,872	1,143,856
2019/20 (Revenue)	\$539,415	\$1,033,099	\$1,254,733	\$723,620	\$3,550,867
2020/21 (Pax)	194,903	331,209	385,256	249,544	1,160,912
2020/21 (Revenue)	\$547,118	\$1,048,123	\$1,273,336	\$734,094	\$3,602,671

1. Estimated figures for the remainder of the 2017/18 financial year.
2. The Cable Car had its annual shutdown during this quarter as it was deferred from the 2016/17 year and therefore not budgeted for in the 2017/18 year.

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b) WCCL Corporate Activities Performance Measures

Performance Indicator	Measure	Target/Result
Compliance with appropriate regulations and statutes	Number of adverse comments from the relevant regulatory authorities	Nil adverse comments
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.
WCCL disaster recovery plan update	WCCL completes a detailed review and update of the existing disaster recovery plan given the recent natural hazards in Wellington and the inherent nature of its business	Update of the WCCL disaster recovery plan.

c) Financial Performance Measures

Performance Indicator	Measure	Target/Result
Budgetary requirements approved by the WCCL Board are met	Degree of variance from budget	Within 10% of Board approved variance
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 the delegations' policy
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 borrowing, and grants / external funding

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5. Board's Approach to Governance

- The Board of Directors normally comprises two members. All are appointed by WCC for varying terms, according to WCC practices.
- The Chairman and other Director are both appointed by WCC.
- The Board currently meets formally every two months (typically five meetings per annum). Further detail on Board practices is outlined below at paragraph 5(c).

a) Responsibility of the Directors

The Board supports the principles of good governance as set out in "The Four Pillars of Governance Best Practice for New Zealand Directors" (incorporating the Code of Practice for Directors), issued by the Institute of Directors in New Zealand (Inc.) in 2012.

The responsibilities of the Directors include:

- Exercising prudence and skill in their governance of the company, and to act in accordance with the requirements of the Companies Act 1993 and all other relevant legislation in the execution of their duties;
- Managing WCCL to meet:
 - The objectives of WCCL's Board;
 - General WCC objectives for WCCL as expressed from time to time;
 - Monitoring and addressing policy, solvency and statutory matters of the company;
 - Monitoring all of the company's activities and ensuring the company acts in accordance with its stated objectives.
 - A 'no surprises' approach to its shareholder and stakeholders

b) Delegated Functions

The Board of Directors delegates the day-to-day management of the company to the CEO and their leadership team, who are required to act in accordance with the Board's approved delegations' policy.

c) Board Practices

The Board's practices include:

- i) The Chair and the CEO discuss current issues on a weekly basis
- ii) The Directors and the CEO meet monthly for a formal catch-up to discuss governance issues.
- iii) The Board meets bi-monthly or more frequently on an as-required basis.

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6. Organisational Health, Capability and Risk Assessment

WCCL is committed to developing and maintaining an enduring and resilient approach to health and safety that embeds a culture of zero harm within the company, adheres to legislative requirements and ensures that staff, contractors, and the general public are not exposed to unnecessary risk or harm in their dealings with WCCL. The following approaches and organisational procedures are in place or are being developed to ensure that WCCL meets its obligations to the Council and the Wellington public as required by the Health and Safety at Work Act 2015, the Railways Act 2005, Local Government Act 2002 and other pertinent legislation:

a) Organisational Approach to Health and Safety:

WCCL works in conjunction with WCC to ensure that WCCL remains “*ahead of the curve*” under the Health and Safety at Work Act, 2015 in addition to the ongoing rail safety practices that are undertaken by the NZTA Rail Safety Regulator (Cable Car).

The Cable Car operates under a license granted by the NZTA Rail Safety Regulator and follows well-established procedures for the investigation and reporting of any near misses or accidents. The vast majority of reported events comprise of slips, trips or falls, or members of the general public who have injured themselves elsewhere and ask for first aid assistance while travelling on the Cable Car.

At a governance level, Health and Safety reporting is a mandatory item at all Board meetings, ensuring that Directors remain apprised of current statistics and any developments arising.

As a result, WCCL has in place appropriate Health and Safety policies, practices and procedures to meet its responsibilities covering hazard identification and management, emergency planning, accident reporting, investigation management, contractor management and safe work procedures (incorporating appropriate Safe Systems of Work).

b) Capital Investment and Asset Management Plans:

Ensuring that adequate funding is secured in order to meet the requirements of the long-term Cable Car capital investment plan is a very high priority as several significant large equipment replacement programmes will be needed over the next 10-12 years.

Over the recent years, WCCL has liaised with NZTA and GWRC in addition to WCC to identify whether becoming part of the Metlink public transport network was a viable option in order to secure the required funding. During the 2017/18 year, WCCL (in consultation with WCC) has reached the conclusion that the Company remaining an independent transport operator is the best course of action.

Given the decision not to seek to become part of the Metlink public transport network, The Company has been reviewing its long-term operational and structural model to identify options for raising the required funding via managed fare increases, along with prudent expense management and funding the remaining amount via debt funding or grant funding from WCC.

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By putting in place a secure long-term funding model (ideally which the Company can internally fund), it allows WCCL to be financially independent.

c) Emergency Planning and Business Continuity:

WCCL has an existing disaster recovery plan, however, during the 2017/18 year, the Company has as a measure to complete a detailed review and update of this plan given the recent natural events and the inherent nature of the WCCL business. The disaster recovery plan focuses on effective communications with staff and the general public in the event of an emergency event, as well as IT system and data recovery. The importance of maintaining the Cable Car passenger service for the general public in the event of accidents, incidents, and natural disasters, and the safety of the Overhead Trolley Bus Network until such time it is fully de-commissioned.

d) Risk Management:

The company's Risk Management Policy is to actively manage risk by assessing risks on at least an annual basis, using the methodologies and practices laid down in AS/NZS ISO 31000:2009 (Risk Management). These risks are identified and actively managed under the following categories:

- a) Health and Safety
- b) Environment
- c) Asset Management
- d) Financial and Commercial
- e) Statutory and Legislation
- f) Corporate
- g) Project
- h) Operational
- i) HR
- j) IT

In each category, the effect of a risk on the business have been considered and the level of risk assessed, taking into account any controls that have been put in place. Risk mitigation actions and controls are determined such that the level of risk is considered to be As Low As Reasonably Practicable (ALARP) using the principles of eliminate, substitute, isolate or engineering controls.

WCCL has no risks that have an Extreme assessment.

The Risk Register currently contains 12 risks that have a High Assessment (5 Cable Car and 7 Trolley Bus).

WCCL regularly reviews and updates it's WCCL Risk Register, and the latest version containing all of the High risks as of writing date is included in Appendix One.

BroadSpectrum has their own Risk Registers that pertain to certain aspects of Trolley Bus de-commissioning project. Regular health and safety meetings are held with BroadSpectrum (as required of PCBU's by the Health and Safety at Work Act, 2015) where any significant hazards and risks arising are discussed, and actions agreed to eliminate or mitigate risk (where practicable).

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7. Additional Information

Ratio of Shareholders Funds to Total Assets

Definition of Terms

Shareholders' funds: Represents the net equity the shareholder has contributed to the Company since its incorporation. This amount includes issued share capital, revaluation reserves, and retained earnings. For completeness, this amount would also include any balances in the shareholder current account that exist, noting that this is not applicable in the case of WCCL as the Company is self-sufficient financially (other than specific grants received from WCC and GWRC) and pays all amounts in respect of dividends when they are declared. As at 30 June 2017, the shareholders' funds equated to \$9.724m.

Total Assets: Represent the total assets, both intangible and tangible of the Company, disclosed in accordance with applicable financial reporting standards. For completeness, it is noted that any tax liabilities in respect of GST and deferred tax are classified as liabilities irrespective of them being a debit or credit balance. As at 30 June 2017, the Total Assets of the Company equated to \$12.183m.

Ratio of Shareholders Funds to Total Assets as at 30 June 2017 – 80%

a) Estimate of Amount Intended for Distribution

The Board and Management of the Company are continuously investigating additional revenue-earning streams, and the result of these activities may require initial capital investment in order to provide increased revenue (and therefore dividend) streams in future years subject to any agreement reached in relation to the future funding of the Cable Car asset management plan. The Company is also undertaking a full review of future fare increases and ensuring prudent expense management to ensure maximum cash reserves are in place when required.

Cable Car passenger numbers and revenue have continued to increase over the recent years since the completion of the new Cable Car Kelburn terminus in 2013 as well as the other improvements and strategic marketing initiatives the Company has been undertaking since 2014. The Directors anticipate revenue will continue to increase given the recent work on the Cable Car electric drive in June/July 2016 and continuing growth in tourist numbers in Wellington.

However, because of the planned capital investment programme detailed within this Statement of Intent (specifically the Cable Car assets) and the Company's aim to remain as financial independent wherever possible, the Company will not declare any dividends in respect of the 2017/18 year and the subsequent two financial years.

As stated in this Statement of Intent, there is the long-term requirement to ensure that the capital investment programme of the Company is adequately funded. In order to determine these needs, the Company has produced a comprehensive 50-year Asset Management Plan covering the period 2016 – 2066 (in respect of the Cable Car operations only given the cessation of Trolley Bus services). In addition to the additional maintenance required over the coming years, the most important project within the capital investment programme is the replacement of the Cable Car Passenger Vehicles and Bogies (currently planned for 2025/26). This is considered the bare minimum to obtain a licence to operate from the NZTA rail safety regulator and maintain the operation at an acceptable level of performance and customer experience. In addition, the Cable Car is an iconic attraction, and WCCL wishes to maintain the highest levels of service and customer experience wherever possible.

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b) Acquisition Procedures

The Company will only issue shares or acquire shares in other companies or become a partner with any other business with the express prior permission of WCC.

The Company will fully investigate and report to WCC any proposal to enter into partnerships or to sell any buildings or other significant assets before binding commitments are entered into.

c) Activities for which the Board Seeks Compensation from a Local Authority

The Company obtains funding from the following sources, noting that no significant operational or capital funding has previously been provided by WCC for many years prior to the Electric Drive replacement which commenced in the 2015/16 year which was much appreciated by the Company:

- The company is funded by GWRC to de-commission the Trolley Bus overhead electrical network;
- The Cable Car operation will be funded from fares.
- Income from undertaking miscellaneous services for third parties relating to the Trolley Bus overhead electrical network, including project management (for example, the Victoria University Pipitea campus construction project); and

Utility companies that currently pay for the use of Trolley Bus poles (for example, Telecommunications companies for UFB infrastructure).

d) Estimate of commercial value of shareholders investment

The estimate of commercial value is equal to the equity value of the company as at 30 June 2017, is \$9.724m.

The commercial value is reassessed annually, following completion of the audited annual report of the Company.

e) Other matters (if applicable), e.g. Water supply services, LGA requirements

Nil

f) Supplementary information the entity wishes to include

Insurance Programme

The insurance programme for the respective operating divisions is as follows:

(1) Cable Car Service

All assets related to the cable car service are covered by a policy with Lloyds of London.

The amount of cover necessary has been calculated on the basis of Probable Maximum Loss, as advised by the structure and earthquake engineering consultant who surveyed the assets and reported to WCCL. The Company maintains an investment fund which exceeds any excess payable under this insurance policy to ensure sufficient business operations funds exist at any point in time.

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(2) Material Change

Following the Canterbury earthquakes, it was not possible to get continued cover from the then insurer, or from any other NZ-based insurer. The placement was made with Lloyds through an introduction by WCC on the best terms that could be achieved, but not for full replacement. WCCL was able to get its cover only on the strength of the consultant's report and his assessment of Probable Maximum Loss.

At the time of writing, WCCL has not completed its insurance renewal in respect of the 2018/19 year, however, given the Kaikoura earthquake in November 2016 and the impact it has on market premiums payable, it is expected that insurance premiums will increase over those payable in respect of the 2017/18 year; this is also due to WCCL negotiating a premium cap for the two years commencing in the 2016/17 year.

(3) Cable Car Service

All assets related to the cable car service are covered by a policy with Lloyds of London.

The amount of cover necessary has been calculated on the basis of Probable Maximum Loss, as advised by the structure and earthquake engineering consultant who surveyed the assets and reported to WCCL. The Company maintains an investment fund which exceeds any excess payable under this insurance policy to ensure sufficient business operations funds exist at any point in time.

(4) Trolley Bus Overhead Network

The trolley bus overhead network itself (poles, stays wires, contact wire, and other equipment) is self-insured.

The warehouse and contents, including inventory and equipment, is insured with an NZ-based insurer (Aon as broker).

Motor Vehicles are insured with an NZ-based insurer (Aon).

Liability covers are insured with an NZ-based insurer (Aon).

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Appendix 1: WCCL Risk Register (High Risks)

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Cable Car Risk Register (High Only) as at 22 February 2018

Risk ID #	Hazard Title	Risk Items	Risk Causes	Risk Effects	Risk Controls	Pre Controls Probability	Pre Controls Impact	Pre Controls Risk Rating	Post Controls Probability	Post Controls Impact	Post Controls Risk Rating	Categories
0007	Earthquake (Small) - (sets off EQ monitor in Control room)	1 - Minor to serious injuries e.g. unconsciousness, cuts, abrasions or loss of life due to falling debris	1 - Small Earthquake	1 - Damage to infrastructure and equipment	1 - Cars automatically slow to creep speed and stop at the next station function tripped by EQ monitor. The monitor has a trigger level of 0.01g	Possible	Major	High	Possible	Moderate	High	Health & Safety
		2 - Loss of equipment		2 - Injury to employee/contractor	2 - Evacuation signs fitted at Lambton and Kelburn Terminals	Possible	Moderate	High	Possible	Minor	Medium	Plant and Equipment
		3 - Damage to structure			3 - Employees are trained in evacuation procedures							
		4 - Disruption to cable car services			4 - All exits are clearly identified with illuminated signs							
					5 - Car evacuation procedures taught and practised regularly as detailed in Drivers and Health & Safety Manuals							
					6 - A radio system operates between the two cars, Ticket Booth, Control Room, and Winding Room.							
					7 - Tunnels, bridges, visual inspection before service recommences							
					8 - Tunnel convergence monitored							
0019	Damage to Cable Car by general public (anytime including after hours)	1 - Disruption to Cable Car services	1 - Unauthorised entry to Cable Car premises by public. Likely to be elevated at certain times of the year due to seasonal and large events.	1 - Vandalism/damage to Cable Car property	1 - Cars locked at night	Almost Certain	Major	Extreme	Possible	Moderate	High	Plant and Equipment
		2 - Damage to property		2 - Disruption to Cable Car services	2 - Monitored camera surveillance and alarms inside both Kelburn and Lambton Terminals							
		3 - Injuries to public		3 - Injuries to general public	3 - Both Kelburn and Lambton Terminals locked at night							
					4 - Isolating transformer used to supply mains power to strip							
					5 - Driver's pre-test run inspection conducted							
					6 - Sprinkler system at Kelburn to deter trespassers							
					7 - Chain installed at Kelburn (below the Control Room)							
					8 - Trespass signage installed between Salamanca and Kelburn							
					9 - Drivers have right to refuse entry on cars and lower station							
					10 - Drivers have radio communications and access to Security staff							
					11 - Security guards on site during events which may attract anti-social behaviour							
					12 - Scenario training on how to manage challenging situations provided to staff bi-annually							
					13 - A security camera has been installed on each cable car							
0029	Physical violence to staff by general public	1 - Mental and physical ill health of employees and passengers	1 - Public under the influence of drugs or alcohol	1 - Stress and possible physical violence to driver and passengers	1 - Drivers have right to refuse entry on cars and lower station	Likely	Major	Extreme	Possible	Moderate	High	Health & Safety
		2 - Disruption to Cable Car services		2 - Disruption to Cable Car services	2 - Drivers have radio communications and access to Security staff	Possible	Moderate	High	Unlikely	Moderate	Medium	Plant and Equipment
				3 - Minor damage to Cable Car and property	3 - Security guards on site during events which may attract anti-social behaviour							
					4 - Scenario training on how to manage challenging situations provided to staff bi-annually							
					5 - A security camera has been installed on each cable car							

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Traction Services Risk Register (High Only) as at 22 February 2018

Risk ID #	Hazard Title	Risk Items	Risk Causes	Risk Effects	Risk Controls	Pre Controls Probabi-lity	Pre Controls Impact	Pre Controls Risk Rating	Post Controls Probabi-lity	Post Controls Impact	Post Control Risk Rating	Categories
0004	Earthquake (Large 5.5+)	1 - Injuries due to falling debris	1 - Earthquake - (Large)	1 - Damage to Glover Street building, overhead network, stock and equipment, public property and roading infrastructure.	1 - Reference Civil Defence Emergency Management Advice: Drop Cover Hold. Evacuation Assembly point: Footpath near the "emergency sign" located by the driveway entrance	Likely	Major	Extreme	Possible	Moderate	High	Health & Safety
		2 - Damage and loss of plant and equipment (i.e. Truck, Van, Tooling, Stock)		2 - Injury to employees	2 - A Civil defence cabinet with first aid, food and other supplies are located by the Warehouse entrance. The water containers are changed every six months.	Possible	Moderate	High	Possible	Minor	Medium	Plant and Equipment
		3 - Damage to overhead network infrastructure			3 - Staff are Trained first aiders.	Possible	Major	High	Possible	Minor	Medium	Financial
					4 - Evacuation/emergency signs are fitted within the Glover Street building.							
					5 - Overhead network inspection to be completed by staff/contractor.							
					6 - The overhead network has been designed, constructed and is maintained by competent persons.							
					7 - Structural inspection of building to be completed by an independent qualified person, building to be above 33% of code.							
0021	Extreme Weather Events	1 - Injuries to employees/contractors, damage to property	1 - Extreme weather conditions (wind, rain, flooding) 2 - Debris flying around 3 - Slippery surfaces	1 - Injury/illness to employee/contractor, and or general public	1 - WCCL vehicles are fuelled, equipment/stock at Glover Street Warehouse ready to use/distribute. Stock is also replenished at WCCL's contractor warehouse.	Possible	Major	High	Possible	Moderate	High	Health & Safety
				2 - Damage to overhead infrastructure	2 - Materials and rubbish securely stored/disposed of at WCCL Glover Street building and the Kilbirnie pole yard.	Possible	Moderate	High	Unlikely	Minor	Low	Plant and Equipment
				3 - Damage to plant and equipment	3 - Contractors undertake field operations. They make safe or repair any damage to the overhead network.	Possible	Major	High	Unlikely	Moderate	Medium	Operational Impact
				4 - Damage to property	4 - Observe and look after each other in the work party.	Possible	Moderate	High	Unlikely	Minor	Low	Reputation
					5 - PPE/Wet weather gear worn.							
					6 - If not safe and conditions are dangerous, work is stopped.							

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Appendix 2: Accounting Policies

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 1993. 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.

These financial statements are the first financial statements that have been presented in accordance with the new PBE Accounting Standards.

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.

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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.

(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 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 IPSAS 17, and annually reviewed for impairment to ensure its carrying value is accurately reflected. Please refer to Note 24 for further explanation.

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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 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
Cable Car Equipment
Cable Car Equipment
Computer Equipment
Motor Vehicles
Furniture & Fittings
Trolley Bus Overhead Wire System & Fittings
Trolley Bus Overhead Wire System Equipment
Trolley Bus Overhead Protection System

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.

WCCL Statement of Intent 2018/19

(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

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 calculating the weighted average cost of that item.

WCCL Statement of Intent 2018/19

(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.

(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

WCCL Statement of Intent 2018/19
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
	<u>7,257,067</u>

(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.

WCCL Statement of Intent 2018/19
Appendix 3: Forecast Financial Statements

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

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WCCL Statement of Intent 2018/19

Wellington Cable Car Limited - Business Plan
Statement of Comprehensive Income for the years ending 30 June 2019, 2020 and 2021

	2018 Forecast	2019 - Qtr 1 \$000	2019 - Qtr 2 \$000	2019 - Qtr 3 \$000	2019 - Qtr 4 \$000	2019 - Total \$000	2020 \$000	2021 \$000
<u>OVERHEAD DIVISION</u>								
Income	6,250	635	635	635	635	2,519	0	0
Contractor Operations Costs	920	0	0	0	0	0	0	0
Wellington Cable Car Operations Costs	440	0	0	0	0	0	0	0
Reactive Maintenance	50	0	0	0	0	0	0	0
Total Operating Expenses	1,410	0	0	0	0	0	0	0
Operating Surplus/Loss before Replacements	4,840	635	635	635	635	2,519	0	0
Pole Replacements	0	0	0	0	0	0	0	0
Feeder Pillar Replacements	0	0	0	0	0	0	0	0
Special Works Replacement	0	6	6	6	6	0	0	0
Contact Wire Replacements / Rentensions	0	0	0	0	0	0	0	0
AMP Expenditure	0	0	0	0	0	0	0	0
Total Replacements	0	6	6	6	6	0	0	0
Total 3rd Party Jobs Completed	0	0	0	0	0	0	0	0
Overhead Division Items Subject to Business Case to GWRC								
Investigation Funding / Decommissioning	4,840	630	630	630	630	2,519	0	0
Contact Wire Replacements / Rentensions	0	0	0	0	0	0	0	0
Other Network Upgrade Expenditure	0 0	0	0	0	0	0	0	0
Total Maintenance cost	4,840	635	635	635	635	2,519	0	0
Depreciation	225	38	38	38	38	150	0	0
Total Expenses	6,475	673	673	673	673	2,669	0	0
Overhead Overall Surplus/ (Loss)	(225)	(37)	(37)	(37)	(37)	(150)	0	0

	2018 Forecast	2019 - Qtr 1 \$000	2019 - Qtr 2 \$000	2019 - Qtr 3 \$000	2019 - Qtr 4 \$000	2019 - Total \$000	2020 \$000	2021 \$000
<u>COMPANY ACTIVITIES DIVISION</u>								
Cable Car Income	3,050	533	1,028	1,243	717	3,521	3,551	3,603
Cable Car Operations	1,123	322	322	322	322	1,288	1,336	1,386
Cable Car Maintenance	811	178	178	178	178	710	741	810
Depreciation	200	63	63	63	63	250	263	249
Cable Car Expenses Subtotal	2,134	562	562	562	562	2,248	2,339	2,445
Cable Car Operating Surplus/ (Loss)	915	(29)	466	681	155	1,273	1,211	1,157
<u>EXTERNAL ACTIVITIES</u>								
3rd Party Services Net Contribution	0	0	0	0	0	0	0	0
Sundry External Income	217	55	55	55	55	220	77	79
External Activities Operating Surplus / (Loss)	217	55	55	55	55	220	77	79
Administration Expenses	423	158	158	158	158	633	661	680
External Activities Division Surplus/ (Loss)	709	(132)	363	577	52	860	628	556
WELLINGTON CABLE CAR - TOTAL SURPLUS/ (LOSS) BEFORE TAX	484	(169)	325	540	14	710	628	556
Income Tax Expense	142	(46)	93	153	6	206	183	164
WELLINGTON CABLE CAR - TOTAL SURPLUS/ (LOSS) AFTER TAX	342	(124)	233	387	8	504	445	393
The Total Surplus / (Loss) After Tax Consists of:								
Total Income	9,517	1,224	1,718	1,933	1,407	6,282	3,628	3,681
Total Expenditure	(9,175)	(1,347)	(1,486)	(1,546)	(1,399)	(5,777)	(3,183)	(3,289)
	342	(124)	233	387	8	504	445	393

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

Wellington Cable Car Limited - Business Plan
Statement of Movements in Equity for the years ending 30 June 2019, 2020 and 2021

	Notes	Forecast 2018 \$000	2019 \$000	2020 \$000	2021 \$000
Opening Equity - 1 July		9,725	10,067	10,571	11,016
Net Surplus/(loss) for the period		342	504	445	393
Total Recognised Revenues and Expenses		<u>342</u>	<u>504</u>	<u>445</u>	<u>393</u>
Distribution to Owners		-	-	-	-
Closing Balance 30 June		<u>10,067</u>	<u>10,571</u>	<u>11,016</u>	<u>11,408</u>

Wellington Cable Car Limited - Business Plan
Statement of Financial Position for the years ending 30 June 2017, 2018 and 2019

	Notes	2018 \$000	2019 \$000	2020 \$000	2021 \$000
CURRENT ASSETS					
Bank	1	2,773	3,271	3,645	3,875
Inventory		100	-	-	-
Work In Progress		-	-	-	-
Accounts Receivable		<u>350</u>	<u>150</u>	<u>150</u>	<u>150</u>
		3,223	3,421	3,795	4,025
FIXED ASSETS	2	<u>8,206</u>	<u>8,003</u>	<u>8,053</u>	<u>8,053</u>
TOTAL ASSETS		<u>11,429</u>	<u>11,424</u>	<u>11,849</u>	<u>12,078</u>
CURRENT LIABILITIES					
Accounts Payable/Accruals		862	353	333	170
Current Portion of Term Loan		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		862	353	333	170
NON CURRENT LIABILITIES					
ANZ Bank Loan		-	-	-	-
Deferred Tax Liability		500	500	500	500
Employee Retirement Gratuity		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		500	500	500	500
NET ASSETS		<u>10,067</u>	<u>10,571</u>	<u>11,016</u>	<u>11,408</u>
SHAREHOLDERS' FUNDS					
Represented by:					
Authorised Capital					
Ordinary Shares at \$1 fully paid		7,435	7,435	7,435	7,435
Retained Earnings		<u>2,631.83</u>	<u>3,136</u>	<u>3,581</u>	<u>3,973</u>
		10,067	10,571	11,016	11,408

Notes and Assumptions:

- 1 Bank balance has been taken as the balancing figure and includes any short term deposits and the Cable Car self insurance fund.
- 2 The 2018 balance sheet is the forecast position as at the time of completing this Statement of Intent.
- 3 No distribution to owners based on the Company accumulating funds for further capital replacements required however will be assessed on an annual basis.

Wellington Cable Car Limited
Statement of Cash Flows
For the Years Ended 30 June 2019,2020,2021

	Year Ended 30 June 2018 - Forecast	Year Ended 30 June 2019	Year Ended 30 June 2020	Year Ended 30 June 2021
Cash flows from operating activities				
<u>Cash was received from:</u>				
Operating receipts	10,302	6,403	3,598	3,659
Interest received	23	56	30	23
<u>Cash was disbursed to:</u>				
Payments to suppliers and employees	(9,399)	(5,559)	(2,758)	(3,038)
Net cash inflow / (outflow) from operating activities	926	900	870	643
Cash flows from investing activities				
<u>Cash was received from:</u>				
Investments	-	-	-	-
Sale of Fixed Assets	-	-	-	-
<u>Cash was applied to:</u>				
Purchase of fixed assets	(250)	(197)	(313)	(249)
Net cash inflow / (outflow) from investing activities	(250)	(197)	(313)	(249)
Cash flows from financing activities				
<u>Cash was received from:</u>				
Term Loan	-	-	-	-
<u>Cash was applied to:</u>				
Payment of Dividend	-	-	-	-
Term Loan	-	-	-	-
Payment of Tax	-	-	-	-
Subvention Payment	(458)	(206)	(183)	(164)
Net cash inflow/(outflow) from financing activities	(458)	(206)	(183)	(164)
Net Increase/(decrease) in Cash held	218	497	374	230
Opening Cash Balance	2,556	2,773	3,271	3,645
Closing Cash Balance	2,773	3,271	3,645	3,875



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EXPERIENCE WELLINGTON'S PURPOSE, VISION AND VALUES

Purpose: Working with and for Wellington to create remarkable art, culture and science experiences that generate vitality: enriching the city we love.

Vision: Engaged Curious Communities.

Values:

- **Connected:** We work together to deepen our engagement with, and relevance to, the communities we serve.
- **Quality First:** We set ourselves high standards prioritising what will make a real difference to Wellington.
- **Boldness:** We are agile, proactive and use innovation and creativity to achieve the best outcomes for our city.
- **Leading:** We commit to providing an environment in which a high performing organisation culture will flourish.

Cover Image: Makers of Entertainment performing for schools in the 2017 Capital E National Arts Festival. Photo by Stephen A'Court.



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 4 APRIL 2018

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INTRODUCTION

Experience Wellington is made up of Capital E, City Gallery Wellington, Cable Car Museum, Nairn Street Cottage, Wellington Museum including the Plimmer's Ark display in the Old Bank Arcade, Space Place at Carter Observatory, the recovered Plimmer's Ark timbers in storage and Wellington city's heritage collections in storage. We also operate the Hannah Playhouse as part of the Capital E operation on behalf of the Hannah Playhouse Trust (HPT) and Wellington City Council (Council), and we have a management agreement with the New Zealand Cricket Museum Trust to provide in-kind support including financial management.

This Statement of Intent (SOI) reflects the relationship and interest that Council has in Experience Wellington as a Council Controlled Organisation and our contribution to Council's vision for the future of Wellington. Specifically, it responds to Council's expectations as set out in its Letter of Expectations of 15 December 2017 and outlines our strategic plans and performance targets for the next three years with detailed focus on the financial period to 30 June 2019.

In 2018-19 Council will provide around 64% of our operational budget with the other 36% coming from fundraising and trading revenues. We have a contract with Creative New Zealand (CNZ) that supports the delivery of the Capital E National Theatre for Children and the biennial National Arts Festival for Children; the learning experiences we offer are supported through Ministry of Education (MOE) Learning Experiences Outside the Classroom (LEOTC) contracts and we regularly receive support from the City Gallery Wellington Foundation for City Gallery's programme. The HPT supports the operation of the Hannah Playhouse and the Carter Observatory Trust supports our fundraising activities for Space Place.

To achieve the best results for Wellington we will continue to work with Council and other Council Controlled Organisations (Wellington Regional Economic Development Agency (WREDA), Wellington Zoo and Zealandia) other local visitor experiences, Te Papa, tertiary education partners and relevant national organisations.



Experience Wellington – Statement of Intent 2018-19 3

OVERVIEW

OUR FOCUS IN 2018-19 is to continue to enrich the city we love by telling Wellington's stories through the city's amazing cultural assets and through every exhibition, public event, or children's live or film production that we produce and present. We want to play our part in Council's *Capital of Culture* strategy and we welcome Council's commitment to consider further investment in its cultural assets through the 2018-28 Long-term Plan.

Our contribution to the *Capital of Culture* will include:

- The planning and delivery of a high profile international contemporary art exhibition programme at City Gallery;
- Leveraging Capital E's strong brand through the development of a new creative city hub for children and young people;
- Completing the development of Wellington Museum;
- Extending the Cable Car Museum; and
- Working with Council on a plan to update the visitor experience at Space Place.

In addition, we will present a full programme of activity which in 2018-19 will include the ninth Capital E National Arts Festival for children and the third Roxy5 Short Film Competition which is now supported by the Ministry for Youth Development. Capital E will also bring Maker Faire to Wellington which is an entirely new science fair experience providing hands-on engagement for all ages.

Wellington Museum and City Gallery will contribute to the Suffragettes anniversary programme marking 125 years since women were first entitled to vote in New Zealand.

We will open the new ground floor experience at the Nairn Street Cottage, and the Space Place programme will include a new artist-led planetarium project on climate change and Antarctica.

City Gallery's programme includes the exhibition *Palindrome* exploring the work of Patrick Pound, an exhibition entitled *The Iconography of Revolt* which considers what happens when revolutionary politics and fashion meet; and a major exhibition of the work of Theo Schoon who plays a key role in contemporary cultural discourse.

We will continue our commitment to the celebration of Matariki which will include *Matariki Dawn* and star gazing at Space Place, the continuation of our partnership with Chamber Museum New Zealand at Wellington Museum and other events aimed at showcasing Wellington during Matariki in June 2019.

OUR PERFORMANCE in the Key Result Indicators (KRI) of visitation and revenue generation will continue to improve during this planning period which will include many opportunities for Wellington's curious communities to engage with our visitor experiences. In 2018-19 we expect to:

- Attract over 750,000 (13% increase on our 2017-18 forecast) visitors to our experiences, one-third of which will be international tourists. In addition, over 300,000 people will connect via our online communities;
- Raise over \$4 million (Net of costs) (10% increase on our 2017-18 forecast) towards our operating costs from trading initiatives as well as fundraising. We are forecasting that we will fund at least 36% of our operating revenue this year; and
- Be highly rated by visitors for the quality of their visitor experience at our institutions with a 90% approval rating.

OUR FINANCIAL PERFORMANCE and in particular achieving a break-even budget after fully funding depreciation has not been possible in the face of significant and on-going cost increases associated with delivering City Gallery's programme and the 2019 Capital E National Arts Festival for Children. As a result we are projecting a small deficit of \$44,130 in 2018-19 but are forecasting a break-even budget in 2019-20 and 2020-21.

The *Financial Overview* on page 5 provides more information on our forecast financial position.



FINANCIAL OVERVIEW

The main assumptions for the planning period are that:

- We will receive \$7,336,115 from Council (exclusive of cash underwrites) for the operation of Experience Wellington inclusive of Space Place representing a 2.759% increase on our base-line funding for 2017-18. The increase is inclusive of funding decisions in 2015-16 and 2016-17 to enable Experience Wellington to align with Council's Living Wage policy.
- Our 2018-19 revenue target of just over \$4 million net represents an increase of 10% on our 2017-18 forecast revenue reflecting that the impact of the 2019 Capital E National Arts Festival and a small increase over the base achieved in 2016.
- We remain committed to achieving a break-even budget after fully funding depreciation. However, we are projecting a deficit of \$44,130 in 2018-19 but returning to break-even in 2019-20 and 2020-21.
- We continue to rely on the Council's cash underwrite for Space Place.
- We need to ensure our liquidity and maintain sufficient deposits to cover current obligations over adequately maintaining our asset base.
- Visitor experience projects outside the scope of the current financial forecast such as the proposed City Gallery Wellington high value international contemporary art exhibition programme will be subject to City Growth Fund investment and fundraising.
- Sponsorships and grants from grant giving agencies are tagged to specific projects (exhibitions, public programmes or capital developments) and are not available to support fixed costs such as personnel, occupancy and energy expenses.
- The 2019 Capital E National Arts Festival is heavily dependent on fundraising including from the Wellington Amenities Fund (WAF) (\$100K). Not realising the WAF funding may result in the cancellation of the Festival.
- Over the forecast period it is expected that personnel costs will increase by 2% per annum and other costs by an average of 2%.
- Applying a Living Wage increase that exceeds 2% in 2018-19 would be subject to additional Council funding.
- Making relativity adjustments to salaries and wages required as a consequence of applying the Living Wage to eligible salaries and wages would be subject to additional Council funding.
- Taking into consideration our typical operating cycle which includes the biennial Capital E National Arts Festival which will boost revenue in 2018-19, trading revenue is forecast to increase by 4% over the base achieved in 2017-18.
- Creative New Zealand (CNZ) funds for distribution continue to be under pressure; and Ministry of Education (MOE) contracts are secure but the funding levels continue to be static and increases are not expected.
- We will continue to operate Hannah Playhouse on behalf of the HPT and the Council until 30 June 2019. The terms and conditions of our agreement includes the continuation of the existing lease with HPT with all covenants continuing to apply except rent and the benefit of a \$60,000 per annum Council underwrite of the operating budget.

The Forecast Financial Statements are provided in Appendix 1. Accounting policies are provided in Appendix 2.



PRIORITY PROJECTS AND COUNCIL'S EXPECTATIONS

Our year-round delivery of exhibitions, public programmers and events contributes to Wellington's status as the Capital of Cultural and ensures that there is always an art, cultural, science or creative experience to enjoy in Wellington on every day of the year. This availability also makes them an important part of Wellington's tourism offering providing great visitor experiences to people visiting Wellington, many for the first time.

Our [2017-20 Strategic Plan](#) outlines our priorities and why we are focusing on these. Our success will be measured in terms of the increasing numbers of engaged, visitors who have their curiosity heightened through their encounters with us on-site or online; our reputation for world leading visitor experiences; the revenue we generate through fundraising and trading activities; and the social and economic impact we have on Wellington.

The following Priority Projects build on our success and are aligned with Council's strategic direction as set out in *Wellington Towards 2040: Smart Capital* and the 2018-28 Long-term Plan (LTP). The LTP is prioritising: Capital of Culture, Resilience, Economic Development, Housing and Transportation and we consider that the priority projects described below are closely aligned with one or more of: Capital of Culture; Resilience; and Economic Development.

Priority Project	Alignment with Council
To present high profile, large scale international contemporary art exhibitions at City Gallery Wellington.	An important cornerstone for Council's Capital of Culture which will create economic value for the city and region. It will enhance City Gallery's national and international reputation and make Wellington a destination for contemporary art lovers. <i>A bid to Council's City Growth Fund will be made to support this programme.</i>
To complete the development of Wellington Museum.	Cements Wellington Museum's role within the region as the teller of Wellington's stories and includes an authentic Māori dimension. It completes earthquake strengthening making the building safer for staff and visitors and it will increase the likelihood that this category 1 heritage building will survive a major earthquake. <i>Council has proposed a budget of \$10 million in the draft LTP to start this work in 2021-22.</i>
To increase the size of the Cable Car Museum visitor experience including an increase in the space for retail.	More space within the museum, often at capacity during cruise ship season, for retail and exhibitions. It will give greater focus to the science and technology story of the cable car and the wider Cable Car Precinct supporting our collaborative precinct project <i>The Look out! Pukehinau</i> . <i>A business case will be developed for further consideration of this project by stakeholders and funders.</i>
Capital E's core offerings, how these are delivered and from where within Wellington city.	It will supercharge Capital E ensuring that it has a fresh, relevant take on the challenge of equipping children with creative and critical thinking skills. It will secure accommodation ideally as part of a wider development that brings together other cultural assets. <i>Capital E's permanent home is subject to agreement on location. In the meantime the current accommodation will be modified to better meet Capital E's operating requirements.</i>
To ensure that Space Place's business model continues to grow visitation and revenue with a renewed visitor experience that widens the offer to more visitors.	The Space Place's operating model review met a 2017-18 SOI commitment. The recommendations include some that will require further investment as well as others which will be relatively straightforward to adopt at no or little additional cost. <i>We will work closely with Council to align visitor experience and financial expectations.</i>



School-age Educational Offerings

We remain committed to our children and young people strategy and our purpose is to make growing up in the Capital city full of opportunities to play, create and interact with access to facilities and experiences that are for, by, with and between children and young people. Our vision is that the children and young people who encounter us feel welcomed, included and important.

This is extended to our core business of developing and delivering learning programmes which are curriculum linked. This part of our business is supported by the Ministry of Education's contestable fund for Learning Experiences Outside the Classroom (LEOTC). However, the greatest barrier to participation is the cost of travel and having enough adult volunteers to accompany school groups to Wellington. Our focus on improving access for children from low decile schools will continue but it is dependent on successful fundraising to fund transport costs for these children.

City Gallery Wellington and the Town Hall Development

The operating challenges that will face City Gallery Wellington as the earthquake strengthening and development of the Wellington Town Hall gets underway have been scoped and strategies to address any disruption to City Gallery's operation will be developed in consultation with Council's project team as the timings and nature of the building programme are finalised.

Aligning with Council's Living Wage Policy

We are committed to aligning with Council's Living Wage Policy and we implemented the 2017-18 Living Wage adjustment with the assistance of additional Council funding and by aligning relativity adjustments with Council's Remuneration Policy as it applied to the implementation of the Living Wage. We have assumed a 2% increase in personnel cost for the planning period.

We will continue to monitor the impact of the Living Wage policy on our overall salaries and wages budget and will keep Council advised of any financial pressures created as a consequence of our on-going alignment with its Living Wage policy.

Governance

The Board aspires to be a leading governance group and is confident that it will comply with Council's expectations regarding legislative compliance and in particular the Health and Safety at Work Act 2015.

Our legislative compliance schedule is reviewed annually by the Board and our compliance is closely monitored through a rolling audit programme.

Our health and safety goal is a zero harm culture and our Key Result Indicator is no notifiable incidents, which we achieved in 2015-16 and 2016-17. We have adopted systems and processes to ensure our Health and Safety compliance and we work closely with Council to ensure that our approach is consistent with its expectations. This is particularly relevant in the context of building management where our Health and Safety obligations overlap.

The Sections on the Board's Approach to Governance (page 14) and Management, Organisational Health, Capability and Risk Assessment (page 19) cover these expectations in more detail.



OPERATING ENVIRONMENT UPDATE

- We have experienced moderate growth in trading revenue over the past two years largely due to the success of retail and venue hire and we continue to forecast modest growth.
- Changes in the way grant-giving agencies operate and the competition for this source of funding means it cannot be relied upon to fully support our programming costs.
- Corporate sponsorship continues to be difficult to attract and retain.
- We have continued our endeavours to increase personal giving with the introduction of online donations and pay-wave donations as an alternative to cash.
- We support the City Gallery Wellington Foundation in its efforts to attract and retain patrons and we will launch a legacy giving programme this year for supporters interested in making a long-term commitment to our activities.
- It is probable that visitation to City Gallery Wellington will be negatively affected by the earthquake strengthening of the Town Hall and other developments in Civic Square.
- With Council's resilience programme in full swing the pressure on performance venues is increasing and is reflected in increased hire charges for the 2019 Capital E National Arts Festival.
- We face increased compliance costs associated with the Health and Safety at Work Act 2015 and the Child Protection Act 2016.
- We continue to strive to be in a position to take advantage of the growth in new technologies in order to optimise our reach and relevance to the communities we serve.
- The opening of Victoria University's new film campus in Miramar and the opening of Te Auaha in the heart of Wellington boosts Wellington's attractiveness as a centre of excellence for students wanting to pursue careers in the creative industries. They also add substance to the city's creative industries growth agenda, provide opportunities for partnerships in the development of visitor experiences and audience development and underscore the value of opportunities we provide through our hands-on creative learning programmes as genuine pathways to careers in the creativity industries. Capital E, with its connections to the capital's creative ecosystems, is particularly well-placed to take advantage of this growth.
- The reopening of City Gallery in March 2018 with refurbished entrance and foyer, and the opening of Te Papa's new art gallery space have provided a welcome boost to the city's art lovers again reinforcing Wellington as an important arts and culture destination.
- We are excited by the opportunity that a reconceptualised Civic Square as a cultural hub presents to City Gallery and potentially Capital E.
- We continue to be committed to working with Council to achieve as a child friendly City.



NATURE AND SCOPE OF EXPERIENCE WELLINGTON'S ACTIVITIES

Experience Wellington's purpose is *working with and for wellington to create remarkable art, culture and science experiences that generate vitality: enriching the city we love* and with our vision, *engaged curious communities* defines our value proposition and how we contribute to Wellington's liveability and prosperity.

- **Capital E** responds to the need for Wellington and New Zealand to foster confident, creative, capable citizens who can be architects of their own future.
- **City Gallery Wellington Te Whare Toi** leads the conversation about contemporary art in New Zealand.
- **Wellington Museum** shares the stories and objects of Wellington.
- **Space Place at Carter Observatory Te Ara a Whanui Ki Te Rangi** transports visitors from Wellington to outer space.
- **Cable Car Museum** encourages visitors to explore and share the technology, history and experience of Wellington's Cable Car.
- **Nairn Street Cottage** illustrates the story of Wellington through the Wallis family.



PERFORMANCE MEASUREMENT

We will continue to refine performance measurement over the planning period to better reflect the needs of stakeholders for information that helps to assess the contribution or impact Experience Wellington makes to Wellington's prosperity and liveability.

We will implement changes over two years and use the findings of the priority strategic project *New Tools for Audience Development* to help shape Impact performance measures and to provide the benchmark against which we can assess our "impact" performance.

The reader will see changes to this section in the 2019-20 Statement of Intent.

Our City

Key Result Indicators

City Residents' Awareness: The number of Wellingtonians who know about our institutions as assessed through the Annual Residents' Survey conducted by Council.

Residents' Awareness	2016-17 Actual	2017-18 SOI	2018-19	2019-20	2020-21
City Gallery Wellington	90%	95%	95%	95%	95%
Wellington Museum	97%	97%	97%	97%	97%
Capital E	87%	90%	90%	90%	90%
Cable Car Museum	94%	97%	97%	97%	97%
Space Place	95%	97%	97%	97%	97%
Nairn Street Cottage	60%	60%	60%	60%	60%

Our Visitors

Key Result Indicators

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	2016-17 Actual	2017-18 SOI	2018-19	Q1	Q2	Q3	Q4	2019-20	2020-21
City Gallery Wellington	180,616	143,000	170,000	45,000	40,000	40,000	45,000	175,000	178,000
Wellington Museum	138,956	137,000	132,000	27,000	35,000	40,000	30,000	135,000	138,000
Capital E	161,869	90,000	157,500	21,600	21,150	56,800	57,950	110,000	160,000
Cable Car Museum	242,250	237,000	237,000	30,500	65,500	90,500	50,500	237,000	237,000
Space Place	54,109	52,000	55,000	12,000	12,000	15,500	15,500	57,000	59,000
Nairn Street Cottage	2,614	2,500	2,000	300	500	750	450	2,000	2,000
Experience Wellington Total	780,414	661,500	753,500	136,400	174,150	243,550	199,400	716,700	774,000

Wellington Museum visitation may be affected if earthquake strengthening proceeds during the planning period.

Capital E will host the National Arts Festival for Children in 2018-19 and again 2020-21.

Capital E visitation for 2018-19 include the Hannah Playhouse.

City Gallery visitation may be affected by earthquake strengthening of the Town Hall.



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Virtual Visitation: The total number of unique user visits to institutional web/mobile sites.

Virtual Visitor Numbers	2016-17 Actual	2017-18 SOI	2018-19	2019-20	2020-21
City Gallery Wellington	110,381	112,000	120,000	125,000	127,500
Museums Wellington	99,826	84,000	88,000	96,000	100,000
Capital E	45,619	64,000	45,000	48,000	50,000
Experience Wellington Total	255,826	260,000	253,000	269,000	277,000

Social Media Profile: A snapshot of Facebook friends, Instagram and Twitter followers.

Social Media Numbers	2016-17 Actual	2017-18 SOI	2018-19	2019-20	2020-21
City Gallery Wellington	29,825	23,000	26,000	27,000	30,000
Museums Wellington	7,675	14,500	10,000	10,500	11,000
Capital E	5,169	5,000	6,250	6,750	7,250
Space Place	8,603	16,000	11,500	12,000	12,500
Experience Wellington Total	51,271	58,500	53,750	56,250	60,750

First Time Wellington City Visitors: (New KRI) The number of visitors who are residents of Wellington visiting for the first time.

First-time Visitors	2018-19	2019-20	2020-21
City Gallery Wellington	33%	35%	37%
Wellington Museum	80%	80%	80%
Capital E	35%	37%	39%
Cable Car Museum	85%	85%	85%
Space Place	90%	90%	90%
Nain Street Cottage	90%	90%	90%

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 the Visitor Experience	2016-17 Actual	2017-18 SOI	2018-19	2019-20	2020-21
City Gallery Wellington	92%	90%	90%	90%	90%
Wellington Museum	92%	90%	90%	90%	90%
Capital E	97%	90%	90%	90%	90%
Cable Car Museum	82%	90%	90%	90%	90%
Space Place	89%	90%	90%	90%	90%
Nairn Street Cottage	97%	90%	90%	90%	90%

Capital E's Quality of Visit figures includes the Hannah Playhouse in 2018-19...



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 Ministry of Education.

Learning experience visitors	2016-17 Actual	2017-18 SOI	2018-19	2019-20	2020-21
City Gallery Wellington	6,106	4,500	4,500	4,500	4,500
Museums Wellington	6,604	7,000	7,000	7,000	7,000
Capital E	64,613	20,500	50,000	20,500	50,000
Space Place	6,040	8,250	8,250	8,250	8,250
Experience Wellington Total	83,365	40,250	69,750	40,250	69,750

Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

Capital E hosted the National Arts Festival for Children in 2016-17 and will do so again in 2018-19 and 2020-21.

Capital E Learning Experience figures include Hannah Playhouse in 2018-19.

Our Sustainability

Key Result Indicators

Financial Performance: A break-even budget and fully-funded depreciation.

Non-Council Revenue: The total amount of revenue (net of costs) generated from non-Council sources:

- Trading includes admissions, retail, venue hire, sub-letting and interest.
- Fundraising includes donations, sponsorships, other grants and cultural grants (CNZ and LEOTC).

Trading (\$'000)	2016-17 Actual \$000	2017-18 SOI \$000	2018-19 \$000	2019-20 \$000	2020-21 \$000
City Gallery Wellington	492	187	307	320	340
Museums Wellington	866	761	845	885	905
Capital E	483	366	509	380	529
Space Place	524	542	542	570	590
Sub Total	2,365	1,856	2,203	2,155	2,364
Sub-letting, Interest & Other	354	397	275	295	305
Experience Wellington Total	2,719	2,253	2,478	2,450	2,669
Fundraising (\$'000)	2016-17 Actual \$000	2017-18 SOI \$000	2018-19 \$000	2019-20 \$000	2020-21 \$000
City Gallery Wellington	608	387	274	309	359
Museums Wellington	162	138	173	173	180
Capital E	895	763	1,051	780	1,167
Space Place	128	103	103	115	120
Experience Wellington Total	1,793	1,391	1,601	1,377	1,826

City Gallery presented Cindy Sherman in 2016-17 which affected both trading revenue and fundraising.

Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

Capital E will host the National Arts Festival for Children in 2018-19 and will do so again in 2020-21.

Capital E Non-Council Revenue figures in 2018-19 include Hannah Playhouse.



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Spend per Visitor: Visitor related revenue (admissions and sales).

Spend per Visit (\$)	2016-17 Actual \$	2017-18 SOI \$	2018-19 \$	2019-20 \$	2020-21 \$
City Gallery Wellington	2.00	1.57	1.80	1.83	1.91
Museums Wellington	2.25	1.41	2.28	3.37	2.40
Capital E	4.03	3.84	3.12	3.29	3.19
Space Place	9.56	10.12	9.85	10.00	10.00

Museums Wellington includes Wellington Museum, Cable Car Museum and Nairn Street Cottage.

Capital E will host the National Arts Festival for Children in 2018-19 and will do so again in 2020-21.

Capital E Non-Council Revenue figures in 2018-19 include Hannah Playhouse.

Our People

Key Result Indicators

- **Health and Safety:** No notifiable incidents involving workers or visitors as defined by the Health and Safety at Work Act 2015.
- **Staff Satisfaction:** At least 75% of staff are engaged with the organisation as indicated through the annual Staff Engagement Survey.

Our Heritage

Key Result Indicators

Collection Development: Our Heritage Collections contribute to our understanding of Wellington's identity; its history, art and creativity which include visitors to some of Wellington's most important heritage sites (see visitor number KRI).

Collection Development	2017-18	2018-19	2019-20	2020-21
New to the Collection	30	45	60	75
Collection Assessment	1,250	1,875	3,650	3,650
Collection Accessibility	5%	7.5%	10%	25%

New to the Collection: Commissions, acquisitions or donations of an item or a collection of items that have been accessioned into the collection.

Collection Assessment: The number of items (individual or type e.g. lifebuoys) that are reviewed for retention or disposal.

Collection Accessibility: The % of the Collection that is on display, on loan, used for research purposes or accessed through other mediums such as online.



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 (\$)	2016-17 Actual \$	2017-18 SOI \$	2018-19 \$	2019-20 \$	2020-21 \$
City Gallery Wellington	12.36	12.50	12.65	12.80	13.00
Museums Wellington	4.55	5.18	5.00	4.95	5.32
Capital E	9.32	14.53	14.91	14.61	10.61
Space Place	9.33	9.89	9.72	9.50	9.32

Subsidy per Visit forecast is based on the probable percentage of the operating grant received from Council as follows:

City Gallery Wellington – 30%

Museums Wellington (Wellington Museum, Cable Car Museum and Nairn Street Cottage) – 26%

Capital E (includes Hannah Playhouse) – 22%

Space Place – 4.9% plus the cash underwrite

Experience Wellington Office – 17.1%

Table 2: Full subsidy per visit inclusive of Council's ownership costs

Full Subsidy per Visit (\$)	2017-18 \$	2018-19 \$	2019-20 \$	2020-21 \$
City Gallery Wellington	18.01	17.20	17.14	
Museums Wellington	6.97	6.86	6.81	
Capital E	14.53	14.91	14.61	
Space Place	14.30	14.47	14.26	

Council's estimated ownership costs are supplied by Council.



BOARD'S APPROACH TO GOVERNANCE

Governance

Trustees are appointed by Council and are standard-bearers for our 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 on-going viability and the maintenance of its competitiveness. It delegates the day-to-day operation 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 Chief Executive Performance and Remuneration (CEP&R) Committee, and the People Performance and Safety (PPS) 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

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 to advise the Chair in connection with the performance and remuneration of Experience Wellington's 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

Trustee	Term Expires	Committees
Jackie Lloyd, Chair	30 June 2020	Chair CEP&R and <i>ex officio</i> of PPS and A&R
Diane Calvert	31 October 2019	A&R
Rachel Farrant	30 June 2019	Chair A&R and member of CEP&R
Jill Wilson	30 June 2018	PPS
Jane Wrightson	31 December 2018	Chair PPS and member of CEP&R

Board Performance

The Board strives to meet best practice governance standards and will undertake an annual review of the overall Board, individual Trustees and the Chair's performance and report to the Chief Executive of Council by 30 September 2018.

Future Director

In consultation with Council the Board appointed a Future Director, John Paul Tocker, for one calendar year commencing 1 January 2018. This position is not a member of the Board and has no voting rights but will observe and participate in Board discussions.



COUNCIL RELATIONSHIP PRINCIPLES

The principles governing the relationship with Council as our primary stakeholder include:

- Operating on a “no surprises” basis so that any significant event that may impact on either party is brought to their attention as soon as it can be reasonably done.
- Open and frank communication will occur between Experience Wellington and Council.
- Provide advice to Council on the management and development of museums, art galleries, space science and other relevant services within Wellington.
- Full disclosure of information will be provided to Council from Experience Wellington as deemed necessary by Council to ensure its interests are upheld.
- Early advice to Council in the event of any situation that may be potentially contentious in nature.
- Disclosing within the Experience Wellington’s Strategic Plan any significant transactions that are planned.

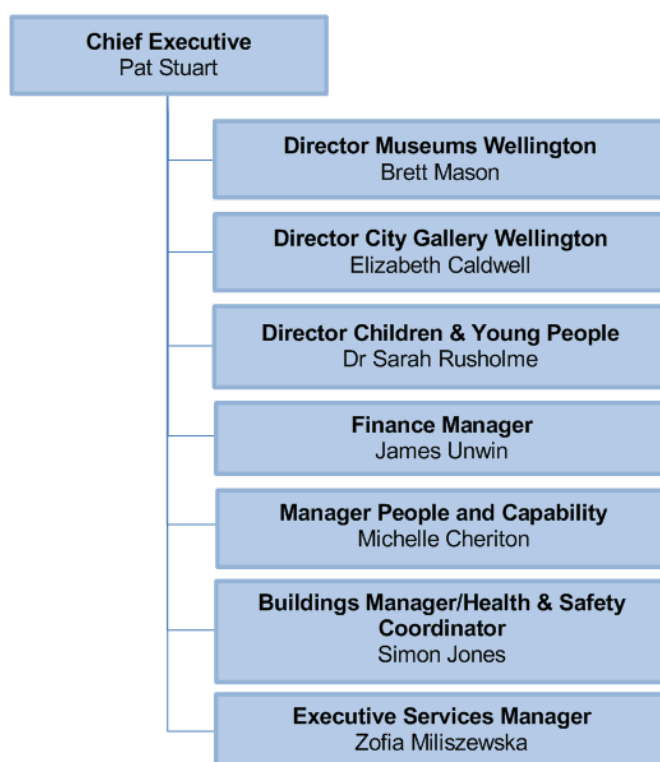


MANAGEMENT, ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

Management

Experience Wellington provides strategic leadership and centralised management and accountability for visitor experiences delivered through institutions. Our corporate values: *Connected, Quality First, Boldness* and *Leading* are the quadrants of our balanced scorecard and describe the strategies, performance monitoring and reporting that together describe how we wish to go about our business and how we measure performance and success. Central to this is the ability to create and sustain an operating environment that supports the achievement of a high performing organisation that encourages staff to strive for excellence.

Reporting to the Chief Executive are three Directors who have responsibility for our visitor experience outputs, the Finance Manager, the Manager People and Capability, the Executive Services Manager and our Building Manager/Health and Safety Coordinator. The organisation chart follows:



Organisational Health and Wellbeing

Critical to achieving our vision and supporting Council's vision is the talent and experience of our staff.

Staff induction, training, regular communication and celebrations of success reinforce our team spirit. We seek feedback annually on key factors relating to organisation performance including vision and values, sense of community, leadership, communication, learning and development, performance and rewards, working relationships and health and safety.



Capability

Our commitment to presenting thought-provoking and entertaining visitor experiences relies on our staff who bring to their work: leadership; strategic thinking; knowledge of heritage collections, art, science and creativity; commitment to audiences; networks and contacts; and professional standards.

We are a highly motivated organisation and rely on our workforce to be flexible and to go the extra mile. Our Executive Team is highly experienced in their respective fields.

Training and professional development is a priority and a small annual resource is set aside for this purpose.

We are committed to the principle of collaboration and shared services and we are committed to working with Council its associated organisations and sector partners.

Risk Management and Business Continuity

Our Risk Profile is reviewed regularly and identifies events and or circumstances and the impact that these have on our operation using a system that ranks the probability and level of impact of the event. It includes risk management strategies such as recovery plans for specific events which carry high risk values.

Our ability to continue to operate following a major event will depend on factors outside of our control such as the extent of material damage to buildings and the continuation of Council funding.

We acknowledge that under the Health and Safety at Work Act 2015 we share Person Conducting a Business or Undertaking (PCBU) responsibilities with Council with regard to Council buildings we manage and occupy.

Assessed risks which carry a lower risk value tend to be within our operational purview with the exception of risks associated with buildings maintenance and plant performance issues which are Council's responsibility. Building and plant issues that are likely to impact on business continuity or present a risk to health and safety of workers and visitors are immediately brought to Council's attention.

A business continuity plan is in development.

Insurance

We have adequate insurance cover to meet specific business needs and deductibles are in line with generally accepted risk management principles and affordability.



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

APPENDIX 1: FORECAST FINANCIAL STATEMENTS

Forecast 30-Jun-18	STATEMENT OF FINANCIAL PERFORMANCE (\$'000) Space Place	Budget 30-Sep-18	Budget 31-Dec-18	Budget 31-Mar-19	Budget 30-Jun-19	Total YE 30-Jun-19	Total YE 30-Jun-20	Total YE 30-Jun-21
Revenue								
496	Trading Income (Net)	124	124	124	124	496	511	521
354	Council Operating Grant	90	90	90	91	361	368	376
0	Council Rental Grant	0	0	0	0	0	0	0
102	Other Grants	25	26	25	26	102	104	106
1	Sponsorships and Donations	0	1	0	0	1	15	18
0	Investment Income	0	0	0	0	0	0	0
130	Other Income	0	0	0	174	174	174	174
1083	Total Revenue	239	241	239	415	1,134	1,172	1,195
Expenditure								
776	Employee Costs	210	211	210	211	842	859	876
0	Council Rent	0	0	0	0	0	0	0
96	Exhibitions & Programmes	24	24	24	24	96	98	100
93	Marketing & Promotions	23	23	23	23	92	95	96
73	Occupancy Costs (excluding Council Rent)	18	18	18	19	73	74	76
10	Communication Costs	3	3	2	2	10	10	10
0	Trustee Fees & Expenses	0	0	0	0	0	0	0
5	Technology Costs	1	0	1	0	2	5	5
0	Professional Fees	0	0	0	0	0	0	0
19	Administration Expenses	5	5	5	4	19	19	20
11	Depreciation	3	3	3	2	11	11	11
0	Interest	0	0	0	0	0	0	0
1,083	Total Expenditure	287	287	286	285	1,145	1,172	1,195
0	Net Surplus/(Deficit) before Taxation	-48	-46	-47	130	-11	0	0
Taxation Expense								
0	Net Surplus/(Deficit)	-48	-46	-47	130	-11	0	0
0.00%	Operating Margin	-20.08%	-19.09%	-19.67%	31.33%	-0.97%	0.02%	0.02%



Forecast 30-Jun-18	STATEMENT OF FINANCIAL PERFORMANCE (\$'000) Experience Wellington excluding Space Place	Budget 30-Sep-18	Budget 31-Dec-18	Budget 31-Mar-19	Budget 30-Jun-19	Total YE 30-Jun-19	Total YE 30-Jun-20	Total YE 30-Jun-21
Revenue								
1,250	Trading Income	346	280	484	299	1,409	1,305	1,460
6,768	Council Operating Grant	1,744	1,744	1,744	1,743	6,975	7,153	7,340
1,769	Council Rental Grant	442	442	442	443	1,769	1,769	1,769
943	Other Grants	274	220	361	440	1,295	995	1,291
346	Sponsorships and Donations	31	75	38	94	238	245	267
65	Investment Income	15	6	15	6	42	50	55
391	Other Income	52	49	78	115	294	315	325
11,532	Total Revenue	2,904	2,816	3,162	3,140	12,022	11,832	12,507
Expenditure								
5,269	Employee Costs	1,285	1,318	1,371	1,421	5,395	5,503	5,613
1,339	Council Rent	335	335	335	334	1,339	1,399	1,399
1,928	Exhibitions & Programmes	813	459	518	652	2,442	2,027	2,488
538	Marketing & Promotions	145	92	132	172	541	515	575
1,095	Occupancy Costs (excluding Council Rent)	311	289	279	303	1,182	1,206	1,230
113	Communication Costs	27	27	28	27	109	112	114
84	Trustee Fees & Expenses	21	21	21	22	85	88	90
200	Technology Costs	39	40	39	39	157	157	160
214	Professional Fees	21	22	21	21	85	100	110
197	Administration Expenses	46	45	45	47	183	187	190
555	Depreciation	134	135	134	134	537	539	539
0	Interest	0	0	0	0	0	0	0
11,532	Total Expenditure	3,177	2,783	2,923	3,172	12,055	11,832	12,508
0	Net Surplus/(Deficit) before Taxation	-273	33	239	-32	-33	0	0
	Taxation Expense							
0	Net Surplus/(Deficit)	-273	33	239	-32	-33	0	0
0.00%	Operating Margin	-9.40%	1.17%	7.56%	-1.02%	-0.27%	0.00%	0.00%



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 4 APRIL 2018

Forecast 30-Jun-18	STATEMENT OF FINANCIAL PERFORMANCE Total	Budget 30-Sep-18	Budget 31-Dec-18	Budget 31-Mar-19	Budget 30-Jun-19	Total YE 30-Jun-19	Total YE 30-Jun-20	Total YE 30-Jun-21
Revenue								
1,746	Trading Income (Net)	470	404	608	423	1,905	1,816	1,981
7,122	Council Operating Grant	1,834	1,834	1,834	1,834	7,336	7,521	7,716
1,769	Council Rental Grant	442	442	442	443	1,769	1,769	1,769
1045	Grants	299	246	386	466	1,397	1,099	1,397
347	Sponsorships and Donations	31	76	38	94	239	260	285
65	Investment Income	15	6	15	6	42	50	55
521	Other Income	52	49	78	289	468	489	499
12,615	Total Revenue	3,143	3,057	3,401	3,555	13,156	13,004	13,702
Expenditure								
6,045	Employee Costs	1,495	1,529	1,581	1,632	6,237	6,362	6,489
1,339	Council Rent	335	335	335	334	1,339	1,399	1,399
2,024	Exhibitions & Programmes	837	483	542	676	2,538	2,125	2,588
631	Marketing & Promotions	168	115	155	195	633	610	671
1,168	Occupancy Costs (excluding Council Rent)	329	307	297	322	1,255	1,280	1,306
123	Communication Costs	30	30	30	29	119	122	124
84	Trustee Fees & Expenses	21	21	21	22	85	88	90
205	Technology Costs	40	40	40	39	159	162	165
214	Professional Fees	21	22	21	21	85	100	110
216	Administration Expenses	51	50	50	51	202	206	210
566	Depreciation	137	138	137	136	548	550	550
0	Interest	0	0	0	0	0	0	0
12,615	Total Expenditure	3,464	3,070	3,209	3,457	13,200	13,004	13,702
0	Net Surplus/(Deficit) before Taxation	-321	-13	192	98	-44	0	0
	Taxation Expense							
0	Net Surplus/(Deficit)	-321	-13	192	98	-44	0	0
0.00%	Operating Margin	-10.21%	-0.43%	5.65%	2.76%	-0.33%	0.00%	0.00%



Forecast 30-Jun-18	STATEMENT OF FINANCIAL POSITION (\$'000)	Budget 30-Sep-18	Budget 31-Dec-18	Budget 31-Mar-19	Budget 30-Jun-19	Total YE 30-Jun-19	Total YE 30-Jun-20	Total YE 30-Jun-21
Shareholder/Trust Funds								
2,123	Share Capital/Settled Funds	2,123	2,123	2,123	2,123	2,123	2,123	2,123
0	Revaluation Reserves	0	0	0	0	0	0	0
478	Restricted Funds	478	478	478	478	478	478	478
1,913	Retained Earnings	1,592	1,579	1,771	1,869	1,869	1,869	1,869
4,514	Total Shareholder/Trust Funds	4,193	4,180	4,372	4,470	4,470	4,470	4,470
Current Assets								
40	Cash and Bank	40	40	40	40	40	40	40
641	Accounts Receivable	600	600	600	600	600	600	600
141	Other Current Assets	150	150	150	150	150	150	150
822	Total Current Assets	790	790	790	790	790	790	790
Investments								
840	Deposits on Call	3,080	475	2,805	790	790	790	790
0	Other Investments	0	0	0	0	0	0	0
840	Total Investments	3,080	475	2,805	790	790	790	790
Non-Current Assets								
4,422	Fixed Assets	4,500	4,500	4,500	4,500	4,500	4,500	4,500
0	Other Non-current Assets	0	0	0	0	0	0	0
4,422	Total Non-current Assets	4,500	4,500	4,500	4,500	4,500	4,500	4,500
6,084	Total Assets	8,370	5,765	8,095	6,080	6,080	6,080	6,080
Current Liabilities								
1300	Accounts Payable and Accruals	2277	1255	1823	1310	1310	1,310	1,309
270	Other Current Liabilities	1900	330	1900	300	300	300	300
1,570	Total Current Liabilities	4,177	1,585	3,723	1,610	1,610	1,610	1,609
Non-Current Liabilities								
0	Loans - WCC	0	0	0	0	0	0	0
0	Loans - Other	0	0	0	0	0	0	0
0	Other Non-Current Liabilities	0	0	0	0	0	0	0
0	Total Non-Current Liabilities	0	0	0	0	0	0	0
4,514	Net Assets	4,193	4,180	4,372	4,470	4,470	4,470	4,471
1.07	Current Ratio	0.93	0.80	0.97	0.98	0.98	0.98	0.98
0.77	Equity Ratio	0.50	0.73	0.54	0.74	0.74	0.74	0.74



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

Forecast 30-Jun-18	STATEMENT OF CASH FLOWS (\$'000)	Budget 30-Sep-18	Budget 31-Dec-18	Budget 31-Mar-19	Budget 30-Jun-19	Total YE 30-Jun-19	Total YE 30-Jun-20	Total YE 30-Jun-21
Cash provided from:								
2,330	Trading Receipts	470	404	608	423	1,905	1,816	1,981
8,891	WCC Grants	4,552	0	4,553	0	9,105	9,290	9,485
1045	Other Grants	299	246	386	466	1,397	1,099	1,397
347	Sponsorships and Donations	31	76	38	94	239	260	285
65	Investment Income	15	6	15	6	42	50	55
531	Other Income	52	49	78	289	468	489	499
13,209		5,419	781	5,678	1,278	13,156	13,004	13,702
Cash applied to:								
6,045	Payments to Employees	1,495	1,529	1,581	1,632	6,237	6,362	6,489
6,465	Payments to Suppliers	1,319	1,809	1,440	1,635	6,203	5,942	6,503
133	Net GST Cashflow	150	-90	190	-110	140	150	160
0	Interest Paid	0	0	0	0	0	0	0
12,643		2,964	3,248	3,211	3,157	12,580	12,454	13,152
566	Total Operating Cash Flow	2,455	-2,467	2,467	-1,879	576	550	550
Investing Cash Flow								
Cash provided from:								
0	Sale of Fixed Assets	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
Cash applied to:								
566	Purchase of Fixed Assets	215	138	137	136	626	550	550
0	Other	0	0	0	0	0	0	0
566		215	138	137	136	626	550	550
-566	Total Investing Cash Flow	-215	-138	-137	-136	-626	-550	-550
Financing Cash Flow								
Cash provided from:								
0	Drawdown of Loans	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
Cash applied to:								
0	Repayment of Loans	0	0	0	0	0	0	0
0	Other					0	0	0
0		0	0	0	0	0	0	0
0	Total Financing Cash Flow	0	0	0	0	0	0	0
0	Net Increase/(Decrease) in Cash Held	2,240	-2,605	2,330	-2,015	-50	0	0
880	Opening Cash Equivalents	880	3,120	515	2,845	880	830	830
880	Closing Cash Equivalents	3,120	515	2,845	830	830	830	830



Forecast 30-Jun-18	CASH FLOW RECONCILIATION	Budget 30-Sep-18	Budget 31-Dec-18	Budget 31-Mar-19	Budget 30-Jun-19	Total YE 30-Jun-19	Total YE 30-Jun-20	Total YE 30-Jun-21
0	Operating Surplus/(Deficit) for the Year	-321	-13	192	98	-44	0	0
	Add Non Cash Items							
566	Depreciation	137	138	137	136	548	550	550
0	Other	0	0	0	0	0	0	0
566		-184	125	329	234	504	550	550
	Movements in Working Capital							
0	(Increase)/Decrease in Receivables	41	0	0	0	41	0	0
0	(Increase)/Decrease in Other Current Assets	-9	0	0	0	-9	0	0
0	Increase/(Decrease) in Accounts Payable	977	-1,022	568	-513	10	0	0
0	Increase/(Decrease) in Other Current Liabilities	1,630	-1,570	1,570	-1,600	30	0	0
0		2,639	-2,592	2,138	-2,113	72	0	0
	Net Gain/(Loss) on Sale:							
0	Fixed Assets	0	0	0	0	0	0	0
0	Investments	0	0	0	0	0	0	0
566	Net Cash Flow from Operations	2,455	-2,467	2,467	-1,879	576	550	550



APPENDIX 2: ACCOUNTING POLICIES

Significant Accounting Policies

The following accounting policies which have a material effect on the measurement of results have been adopted by the Trust.

1. Reporting entity

The Wellington Museums Trust Incorporated, trading as Experience Wellington, is registered as a charitable entity under the Charities Act 2005. It is a Council Controlled Organisation (CCO) in terms of the Local Government Act 2002.

The financial statements of Experience Wellington includes the activities of the following business units - the Wellington Museums Trust Incorporated, Wellington Museum, City Gallery Wellington, Capital E including Hannah Playhouse, Nairn Street Cottage, the Wellington Cable Car Museum, and Space Place at Carter Observatory as from 1 June 2010.

The principal activity of Experience Wellington is to develop and manage Institutions and to operate them for the benefit of the residents of Wellington and the public generally. For the purposes of financial reporting, the Trust is a public benefit entity (public sector).

Experience Wellington has no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

2. Basis of preparation

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZGAAP). They comply with Tier 2 PBE Accounting Standards (Public Sector) and disclosure concessions have been applied.

Experience Wellington has elected to report in accordance with Tier 2 PBE Accounting Standards (Public Sector) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$30 million.

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 will be applied consistently to all periods presented in the 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 the Trust 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 equipment	33% SL
▪ Office and equipment	25% SL
▪ Motor vehicles	20% SL
▪ Building Fittings	5%-25% 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 Experience Wellington's 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 2016 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.

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 Balance Sheet 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

Experience Wellington's activities are supported by grants, sponsorship, admissions and other trading activities. 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 are fulfilled.

Funds received that have no such obligation attached and merely a restriction imposed on the use of funds, are recognised as revenue when they become available.

(ii) Services provided

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Income is recognized 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 amortized to income throughout the period of the exhibition.

(iii) Donations

Cash donations from the community are recognized in the Income Statement at the point at which they are receipted into Experience Wellington's bank account.



(iv) Sale of merchandise

Revenue from the sale of merchandise is recognised in surplus/ (deficit) 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 Wellington City Council for a large part of its income and operates under a Funding Deed with the Council. The Funding Deed is for a period of three years and is extended annually for a further year subsequent to the initial 3 year term.

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 realized 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.

4. Ratio of Total Assets: Liabilities

- Experience Wellington prefers to remain debt-free.
- Debt may not be raised to finance operating expenses.
- Experience Wellington has a policy ratio of total assets to total liabilities of 3:1.

5. Activities for which compensation from Council is sought

Experience Wellington seeks funding of \$7,336,115 for the core operation including Space Place at Carter Observatory and an accommodation rental subsidy of \$1,769,323 for the 2018-19 financial year and an extension of the Wellington Museums Trust Funding Deed executed on 28 October 1999 in accordance with clause 5.2 of the Deed.



6. Ratio of Shareholders' funds to total assets

Based on the forecasted Statement of Financial Position as at 30 June 2018 the ratio of shareholders' funds to total assets is 0.74 and this moves to 0.72 in the forecasted Statement of Financial Position as at 30 June 2019.

7. Significant Obligations/Contingent Liabilities

Experience Wellington currently holds no cash reserves to meet operational requirements and to mitigate risks.

Experience Wellington has no contingent liabilities.

8. Distribution to Settlor

Experience Wellington does not make a distribution to the Settlor.



DIRECTORY

Experience Wellington Executive Office

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PO Box 893, Wellington
P: 04 471 0919
E: experience@experiencewellington.org.nz
www.experiencewellington.org.nz

City Gallery Wellington

Civic Square
101 Wakefield Street
PO Box 893, Wellington
P: 04 913 9032
E: citygallery@experiencewellington.org.nz
www.citygallery.org.nz

Capital E

4 Queens Wharf
PO Box 893, Wellington
P: 04 913 3740
E: capitale@experiencewellington.org.nz
www.capitale.org.nz

Space Place at Carter Observatory

Botanic Gardens
PO Box 893, Wellington
P: 04 910 3140
E: spaceplace@experiencewellington.org.nz
www.museumswellington.org.nz/space-place

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

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*)

Hannah Playhouse

12 Cambridge Terrace
PO Box 893, Wellington
P: 04 894 7412
E: hannahplayhouse@experiencewellington.org.nz
www.hannahplayhouse.org.nz

New Zealand Cricket Museum

The Old Grandstand, Basin Reserve
PO Box 578, Wellington
P: 04 385 6602
E: cricket@experiencewellington.org.nz
<http://nzcricketmuseum.co.nz/>





**Wellington Regional Stadium Trust
Draft Statement of Trustees Intent
For the year ending 30 June 2019**

Registered Office:	Westpac Stadium Waterloo Quay Wellington
Chair:	John Shewan
Chief Executive:	Shane Harmon

The Wellington Regional Stadium Trust (the Trust) was established by the Wellington Regional Council (Stadium Empowering) Act 1996 and the settlors of the Trust are the Wellington City Council and the Greater Wellington Regional Council.

The Trust recognises the interest that the ratepayers of Wellington City Council and the Greater Wellington Regional Council have in the Trust and its activities and have agreed to be subject to the reporting requirements of both Councils and their monitoring procedures. The Trust is not a Council Controlled Organisation, for the purposes of the Local Government Act 2002.

March 2018



1. INTRODUCTION

The financial year ending 30 June 2019 will once again be a very active year for the Trust as it embarks on a significant upgrade of the internal concourse while at the same time hosting another full calendar of events.

In 2018 the Trust has refreshed its strategic priorities centred on the following areas:

1. Deliver great customer experiences
2. Grow commercial revenues
3. Invest in and improve our facilities
4. Value our people, our community and our stakeholders
5. Operate a safe building
6. Operational excellence
7. Attract and deliver world class events
8. Sustainability

Each of these strategic priorities and the associated activities for 2018/2019 are addressed in this Statement of Intent (SOI).

In the 2019 financial year, it is anticipated that Westpac Stadium will remain New Zealand's most utilised stadium. Crowd attendances are projected to hold up well in a very competitive market for patrons' time and attention.

The Trust derives a diverse range of recurring revenue streams. However, securing new revenues will be a prime focus for the Trust during the year.

Over the next twelve months the Trust, with the support of Wellington City Council, will continue invest in the upgrade of the internal concourse. This follows the major capital investments undertaken in the 2017/18 year with the installation of high density WiFi throughout the Stadium.

The Trust continues to enjoy a collaborative and supportive relationship with the Greater Wellington Regional Council (GWRC) and Wellington City Council (WCC) as well as the Wellington Regional Economic Development Agency (WREDA).



2. STRATEGIC DIRECTION

a) CORE PURPOSE

The objectives of the Wellington Regional Stadium Trust as set out in the founding Trust Deed established by the Wellington City and Greater Wellington Regional Councils ('the Councils') are as follows:

- To own, operate and maintain the Stadium as a high quality multi-purpose sporting and cultural venue;
- To provide high quality facilities to be used by rugby, cricket and other sports codes, musical, cultural and other users including sponsors, event and fixture organisers and promoters so as to attract to the Stadium high quality and popular events for the benefit of the public of the region; and
- To administer the Trust's assets on a prudent commercial basis so that the Stadium is a successful, financially autonomous community asset.

The Councils have also established general objectives for the Trust. These are that it should:

- Adopt a partnership approach in dealing with the Councils and their associated entities;
- Have a regional focus where this is appropriate;
- Appropriately acknowledge the contribution of Councils;
- Achieve maximum effectiveness and efficiency of, and concentrated focus on service delivery;
- Operate at better than breakeven after depreciation expense.

The Trust meets all the general objectives of the Councils noting that the overriding requirement of the Trust Deed means that the Trust must generate sufficient profit to repay loans and finance capital expenditure.

Alignment with Council's Policies and Strategies

In 2011 the Wellington City Council (WCC) developed a 2040 Strategy setting out its vision for the city. The Trust fully supports these policies and strategies and contributes directly to the priority areas set out.

The Economic Development Strategy

The WCC's Economic Development Strategy sets out the city's plans for ensuring long term economic development of the city that improves the citizens' quality of life and community prosperity.

In 2015 the Trust completed a 15-year study showing that almost 7.8 million visits have been made by people attending events at the Stadium. Of these visits, around 1.8 million have been from people outside the Wellington region spending an additional \$889 million in the region's economy, this is more than two and half times original estimates.

It is estimated that this spending has now passed the \$1bn mark given the events hosted over the past two years. The Trust will conduct its next economic impact review in 2019 ahead of the Stadium's 20th anniversary.



Major events consistently draw upwards of 50% of attendees from out of the region, and as such the Stadium remains an economic powerhouse for the region.

The Trust has continued to deliver an exceptional return on the original investment made.

The Event Policy

The 2040 strategy records that the Westpac Stadium is a significant amenity and provider of key international events.

The Stadium has played a critical role in recent years in hosting major events including the Rugby, Cricket, Rugby League and FIFA U20 World Cups as well as large concerts such as Elton John, AC/DC, Guns n' Roses and the Edinburgh Military Tattoo. Rugby test matches over the last three years have all sold out.

While the 2018/19 event calendar is still work in progress, a number of major events are already confirmed and others are in negotiation.

The Accessible Wellington Action Plan

The Accessible Wellington Action Plan aims to enhance Wellington's reputation as an inclusive and socially responsible city and one that is accessible, safe and easy to get around. The Plan seeks to improve access for people with disabilities, parents with prams, older people with age related decrease in mobility and sensory abilities.

The location of the Stadium and its design were in large part driven by the power of its accessibility. The Stadium is ranked as the No.1 accessible stadium in New Zealand according to strategy and communications consultancy, the Gemba Group.

Its position in the transport hub and as an easy walk from the CBD and entertainment precinct ensures the city, its residents and its visitors all benefit from the Stadium's events.

Westpac Stadium has a well-developed access plan to enable easy access for all patrons. It provides people movers operating up and down the Fran Wilde Walk, special drop off areas, mobility parks and assisting people with wheelchairs directly to their seats. In 2014 Be.Accessible reviewed the Stadium and issued a Gold rating. The Stadium achieved excellent levels of accessibility across all areas measured. The Trust will continue to provide easy access for its patrons.

In 2018/19 the Trust proposes establishing an accessibility users group to assist us improve our performance further in this key area.

The Digital Strategy

The Digital Strategy aims to achieve global recognition as a creative, digital city.

The Trust has partnered with Spark and Huawei to install high density WiFi through all areas of the Stadium to cater for the growing need to share experiences socially as they happen and to open opportunities to use connected technologies to enhance the overall patron experience.

The Stadium upgrade saw 24km of new cabling laid, along with the installation of around 300 access points. The entire seating area has been covered by 350 directional antennas, allowing around 20,000 people to connect to WiFi concurrently, supported by a 20



Gb/second fibre backbone running around the stadium. The rollout was completed in July 2017.

The connected stadium was launched successfully for the All Blacks v British and Irish Lions test. 10,000 fans accessed the wifi during the match transferring nearly 1TB of data on the network on one evening.

With Wellington-based partner Eyemagnet, the Stadium will also be delivering internet protocol television (IPTV) and content management to the WiFi services.

Wellington Regional Economic Development Agency (WREDA)

The Trust adopts a strong partnership approach with WREDA with a view to enhancing Wellington's standing as a major event host. Management and Trustees engage with the WREDA Chair, Chief Executive and officers on a regular basis and are supportive of WREDA's goal of driving innovation and economic activity and enhancing the region's reputation as a centre of world-class film, IT, education, arts, food and tourism.

The Trust partnered with WREDA to successfully secure the rights to host the FIFA World Cup Intercontinental play-off in 2017 and continues to explore upcoming opportunities in 2018/19.

Wellington City Council's Long Term Plan (2015-2025)

The Trust is fully supportive of the city and region's long term plans. In particular the Trust identifies the following that provide strong synergies with the Stadium's plans:

1. A longer airport runway: bringing in more international visitors, and enhancing business and education connections.

The Stadium will be a beneficiary of a longer runway through increased visitor numbers for major events. In addition a longer runway removes one of the impediments for major artists visiting Wellington, as staging and equipment often has to be transported via road from Auckland.

2. Screen and tech industries: supporting smart and sustainable economic growth.

The Stadium is using Wellington based Eyemagnet to deliver internet protocol television (IPTV) and content management to the WiFi services.

3. New and improved venues for music, sport, and conventions

The Trust is very supportive of the proposed investment in sports and events infrastructure.

A new indoor arena and the proposed Wellington Convention Centre will complement the Stadium's current offerings. The convention centre will complement the Stadium's already busy functions business.

The Trust is also supportive of the investment in the Basin Reserve. It is important that both venues continue to complement each other and that the investment ensures a growth in the number of events and overall attendances for Wellington as opposed to displacement of existing events within the region.



4. Reigniting our sense of place through events and public space improvements

The Trust applauds the commitment to increase funding for major events. A partnership driven approach to attracting and securing the right events for Wellington is vital. The Trust commits to being an active partner in this strategy.

Greater Wellington Regional Council's Long Term Plan

The Trust supports Greater Wellington Regional Council's Long Term Plan in particular those plans which cover public transport infrastructure and getting more people on public transport

The Trust supports further investment in public transport and actively encourages patrons to utilise public transport while attending events at the Stadium.

The Trust monitors green-house gas emissions. In 2018/19 the Trust intends will explore opportunities where we can further reduce our environmental footprint.

b) OPERATING ENVIRONMENT UPDATE

The operating environment remains positive for the Trust, albeit within a very competitive marketplace.

The past three years have boasted arguably the strongest events calendar since the Stadium opened including four concerts, world cups, FIFA Intercontinental play-off, rugby tests including the return of the British and Irish Lions and the Edinburgh Military Tattoo.

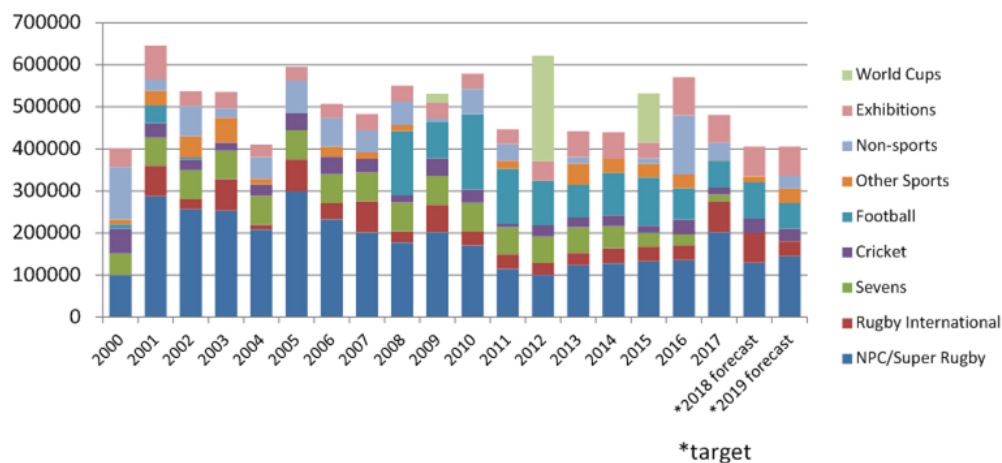
The events outlook for 2018/19 is positive and the Trust continues to work on attracting events.

The Trust's focus lies particularly on those events that will fill the Stadium and generate economic return for the region.

The focus on capital expenditure to enhance the facility and improve the patron experience will see borrowings and therefore interest on borrowings increase. Depreciation will also increase, and increases in insurance premiums are likely. The Trust will continue to operate with positive cash flows enabling the Trust to continue to invest in the facility.

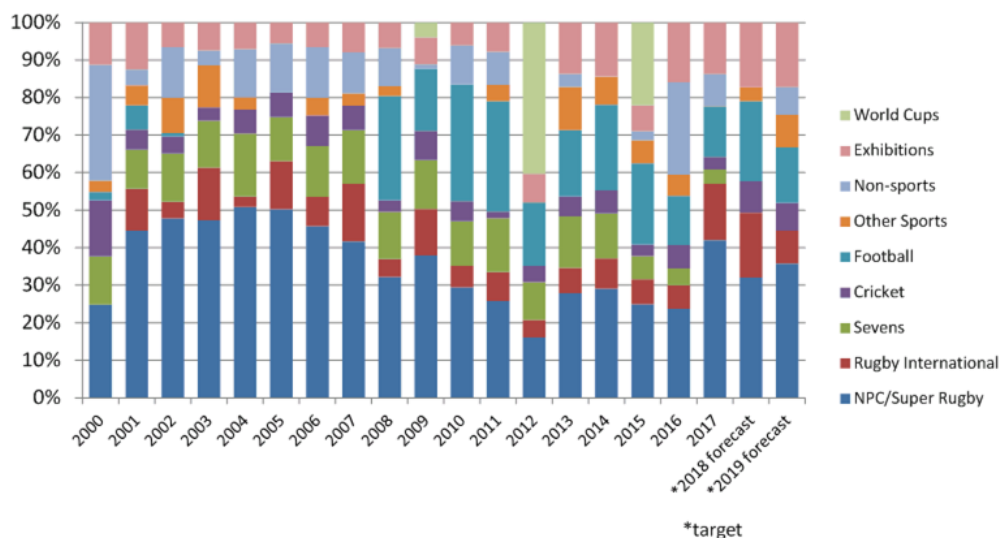
The following table highlights aggregate crowds by event type since the Stadium opened.

Westpac | STADIUM



The mix of events has changed significantly since the Stadium opened, and it is no longer reliant on any one code or event for its attendances.

The following table highlights the diverse mix of attendances over the years represented as a percentage of the overall attendance in any given year.



c) STRATEGIC FRAMEWORK

The Trust's objectives are:

1. To be viewed by the residents of the region and other stakeholders as a valued and essential asset.
2. To operate the best venue in New Zealand measured by:
 - Satisfaction of hirers
 - Patron satisfaction
 - Event calendar and diversity



- Calibre of international events held
- Environmental impact
- Relationship with our neighbours
- Adherence to world's best practice

3. To remain financially autonomous
4. To provide a full and balanced event calendar to patrons
5. To maintain and enhance the facility to the standard of international best practice
6. To be a good employer and provide personal development opportunities to employees
7. To provide and maintain a safe and healthy working environment for employees, visitors and all persons using the premises as a place of work

The board hosts a strategic planning day in March of each year to reassess priorities and strategic direction.

3. NATURE AND SCOPE OF ACTIVITIES

The nature and scope of the Trust's activities are dictated in the first instance by the Trust Deed, settled with both Councils.

To meet its obligations under its Trust Deed, the Trust identifies the key objectives of:

- Presenting a full and balanced event calendar;
- Maintaining and enhancing the facility;
- Achieving a level of profitability that finances continuing capital expenditure and meets debt reduction obligations.

The Board and management have taken a longer term view of the Stadium's business.

In line with the obligations listed above under its Trust Deed, the Trust has recently refreshed its strategic priorities centred on the following areas:

1. Deliver great customer experiences
2. Grow commercial revenues
3. Invest in and improve our facilities
4. Value our people, our community and our stakeholders
5. Operate a safe building
6. Operational excellence
7. Attract and deliver world class events
8. Sustainability



For the 2018/19 year the Trust's focus on each is outlined as follows:

1. Deliver great customer experiences

Alongside our hirers we aim to continuously improve the fan experience. The Trust facilitates the sharing of issues and ideas, develops proactive solutions and works towards best practice across all our events. In 2018/19 we will:

- Invest in customer service training to deliver a consistent Westpac Stadium experience across all staff and contractors.

Westpac Stadium like most venues engages contractors for the delivery of key services. Many of these services are customer-facing such as catering, security and ticketing. Traditionally customer service training is provided by the contractor. The Trust will develop its own programme of training for staff and key contractors in order to deliver a consistent level of service across all customer touchpoints.

- Renew entry terms and conditions.

This project will examine our entry terms and conditions as well as messages upon entry. Conditions of entry have been developed over the years and exist to provide a safe and secure venue as well to ensure that all patrons enjoy their Westpac Stadium experience. We will examine a means to make this information more accessible to visitors and remove or alter conditions if required.

- Create an accessibility user group that meets twice a year to help us continually improve how we operate an accessible venue.

Westpac Stadium is already a gold rated venue according to Be.Accessible. We wish to take our understanding of matters related to accessibility to the next level by setting up an accessibility users' forum that will meet twice a year to share what we are doing in areas of accessibility and to learn from the group about further improvements we can make.

- Develop a stadium app to improve the game day experience

In conjunction with Wellington based software company, EyeMagnet, we will develop a best of breed stadium app with a range of features that enhance the game day experience.

- Develop our Food and Beverage offering to a point where it is a selling point for attendance

From 1 April 2018 the Trust will work with our newly appointed food and beverage provider. Our aim is to deliver the best food and beverage experience of any stadium in New Zealand.

2. Grow commercial revenues

The Trust has diverse revenue streams. The mix of events and hirers provides some degree of risk mitigation to a downturn in any one sport or event. The Trust's mix of revenue streams compare favourably to other major stadiums.



We were particularly pleased to welcome Spark and Huawei on board as new sponsors from July 2017.

Maintaining and growing revenue is critical to our business. In 2018/19 we will pursue the following opportunities:

- We will grow our stadium memberships.

In 2017 the Trust revamped its membership programme with a view to significantly increasing the number of members through delivering better venue membership products. We have had solid success in the relaunch and aim to build on that during 2018/19. We have recruited a sales role to assist with this task and will be investing in both marketing and member facilities to achieve this goal.

- We will leverage our investment in technology to grow our signage and sponsorship revenues.

The new connected stadium, WiFi and IPTV delivers a new set of assets that the Trust will commercialise in the coming year. The Trust aims to increase its revenues through commercial signage, both fixed and digital over the year and is currently working with potential marketing partners to achieve this goal.

- We will renew or acquire a naming rights partner from 2020 onwards

The current arrangements run through to 2019. This is a major focus for the Trust in the coming year and work is well underway.

- We will grow our non-event day event and functions revenues

Westpac Stadium is one of the largest function centres in the region and while we host upwards of 1,000 meetings and events during the year there remains considerable opportunity for growth. We will develop a marketing plan with our new catering partner to promote the Stadium as one of the region's pre-eminent function centres.

3. Invest in and improve our facilities

The stadium environment is increasingly competitive. There has been significant investment in stadiums in both Australia and New Zealand in recent years. Regional, state and federal governments recognise the value of modern stadiums in attracting events, generating economic activity and promoting sport.

Continued investment in Westpac Stadium is vital to ensure events are not lost to new facilities. Over the next three years the Trust will invest \$ to be updated in May in the facility. This will be supported by a contribution of \$5m from the WCC long term plan. In 2018/19 we will:

- Complete the majority of the concourse upgrade including removal of some of the steel cladding as well as upgrades to all of the catering outlets. This work is scheduled to commence in Q2 2018. The majority of the work is planned to be completed during the 2018/19 year.



The proposed upgrades will cover the following elements:

- Removal of some of the steel cladding around the major thoroughfares to bring natural light and the city's wonderful vista into the Stadium;
- The enhancement and renovation of food and beverage outlets;
- Refurbishment of parts of the concourse floor;
- Cladding of some of the current grey concrete walls and pillars;
- Develop consistent look and feel and way finding around the concourse;
- Making the space more suitable for exhibition clients;
- Improved lighting.

The objective of the upgrade is to:

- Improve the overall fan experience for sporting events;
- Make Westpac Stadium a more desirable host for large scale exhibitions that drive out-of-region visitation and grow the local economy. This is consistent with the Councils' desires for more non-sporting events to be held at the Stadium

- Develop a plan to further strengthen the building and walkway to improve resilience in the event of a major seismic event.

The building performed well during the Kaikoura and Seddon earthquakes and engineering assessments after both events found that no greater risk existed post each event. Nonetheless, the Trust has been examining areas where additional resilience can be applied, and it is anticipated that strengthening of the flooring units will commence in 2018/19. Strengthening of the walkway has already begun.

- We will actively support investment in other events infrastructure in the region.

In addition to our own programme, the Trust will play an active and supportive role as required in improving the Region's event facilities. The Trust is supportive of improvements to the Basin Reserve as well as the feasibility work being conducted into an indoor arena and is keen to explore synergies and efficiencies across venues.

4. Value our people, our community and our stakeholders

This is a people business and the Trust enjoys and relies on strong relationships in order to run a successful business. And we rely on the support of the people of the Wellington region as well as out of region visitors to ensure our events are successful.

- We will develop specific programmes for relationship strengthening across key stakeholders including hirers, councils, WREDA, regional initiatives and government.

This will involve hosting at events, invitations to the Trust Board meetings and bringing in guest speakers from sports and events industry to share best practice and learnings with our stakeholders.

- We will foster a culture of innovation and continuous improvement and will invest further in staff training in order to grow our staff and fill gaps in skills and specialties

The Trust will create an innovation programme that gives all staff a platform to contribute to innovation and continuous improvement. The purpose is to foster fresh thinking and



generate new ideas amongst all staff and to run experiments to enable quick testing and to capture feedback.

- We will maximise opportunities to communicate to and engage with the wider Wellington regional community

The Trust will proactively seek opportunities to tell its story to align with councils' desire to promote the region as a place to live, work & play.

5. Operate a safe building

The Trust is committed to providing and maintaining a safe and healthy working environment for its employees, visitors, and all persons using the premises as a place of work as well as event attendees.

- Health and Safety

To ensure a safe and healthy work environment, the Trust maintains a Health and Safety Management System. In 2018/19 the Trust will conduct the new SafePlus assessment. SafePlus is a joint initiative developed by WorkSafe New Zealand, ACC and the Ministry of Business, Innovation and Employment (MBIE). It assesses businesses' health and safety performance and provides them with tailored recommendations on what they need to do to improve.

- Actively promote a safe and harassment-free environment for all staff, contractors and attendees at the stadium.

In line with an initiative from the International Association of Venue Managers in 2017/18 we will revisit current policies and implement preventative measures pertaining to sexual, gender, and other forms of harassment where needed and we will take an active role in developing a campaign proactively promoting respect for all.

6. Operational excellence

Efficient business processes and event management systems are essential to the smooth operation of the facility and its events.

- We will harness technology to improve our business processes.

In recent years the Trust has invested in technology to improve our financial management, marketing automation and CRM and health and safety processes. In 2018/19 we will explore best of breed technology that will assist us achieve our goals in both event management and facilities management

- We will seek to improve our business continuity capability.

The Trust's Business Continuity Plan provides all staff with a template to guide our decision making when confronted with major challenges that disrupt the smooth delivery of our event and non-event day business. In 2018/19 this will be updated to incorporate experiences from the 2016 Kaikoura earthquake and the upcoming migration of office systems to the cloud.



7. Attract and deliver world class events

Over the last eighteen years Westpac Stadium has been the busiest stadium in New Zealand, hosting over 50 event days each year in addition to community event days. In addition, the Stadium hosts up to 1,000 non-event day functions, conference and meetings each year.

Large events are significant drivers of revenue and are crucial to the viability of the Stadium. Securing such events remains a major focus of the Trust ongoing.

The events schedule through to June 2019, while still being finalised, will remain healthy. In 2018/19 we will:

- Aspire to host at least one major concert

We will continue to engage with all key promoters on a regular basis and be flexible in our dealings in order to give Wellington the best opportunity to secure events. The Trust has in the past taken a joint venture approach in order to secure events. While such an approach inevitably means a greater exposure to risk, the Trust's financial position enables it take this approach.

- In conjunction with WREDA we will explore opportunities to attract or create an annual recurring major event for Wellington.

The Trust works closely with WREDA in relation to major events. In 2018/19 the Trust will explore with WREDA opportunities to develop our own major events.

8. Sustainability

The Trust is committed to developing ways to reduce, recover, recycle, or re-use waste in all aspects of our business, including considering and integrating environmental factors in our decision making process.

In 2018/19 we will:

- Review our sustainability plan.

We seek to explore opportunities where we can further reduce our environmental footprint that covers:

- energy management and lighting
- waste management and recycling
- water conservation

The Trust will also join the Sports Environment Alliance. The SEA represents a number of sports and venues in Australia and New Zealand. These sport organisations commit to establishing the knowledge and networks, needed to empower Australasian sport industry stakeholders to become environmental stewards.



Operating Profitability

The Trust Deed requires the Trust to be financially autonomous. This requires the generation of sufficient profits to meet loan repayments and provide funds for the capital replacement and development programmes that are necessary to enable the Trust to meet its obligation to maintain the building to the standard of international best practice.

The major difference the Stadium can make to attendance at events is to improve the experience of the patrons across all areas of the facility. The Stadium Master Plan was developed to do that, but it can only be completed if we can continue to satisfactorily fund these projects.

Note: This section will be updated pending completion of the annual business plan, which will include projected financial statements and the projected event calendar.



PERFORMANCE MEASURES

Non-Financial Performance Measures

Measure	How Measured
<ul style="list-style-type: none"> Deliver a strong Rugby international test programme for 2018 and 2019 	<ul style="list-style-type: none"> Key stakeholders are satisfied with management of the test operation Sell-out crowds for test matches 40% out of region visitors
<ul style="list-style-type: none"> Deliver more large scale non-sporting events 	<ul style="list-style-type: none"> Secure at least one concert per year Secure at least two other events outside the traditional rugby and football regular season calendar per year
<ul style="list-style-type: none"> Continued investment in stadium infrastructure 	<ul style="list-style-type: none"> To develop a stadium app that features a number of enhancements to the fan experience Concourse upgrade commences and is 75% complete
<ul style="list-style-type: none"> Deliver a full event calendar 	<ul style="list-style-type: none"> Securing 45-50 event days per year. (Excludes community events).
<ul style="list-style-type: none"> Host unique events that deliver economic benefit to the region 	<ul style="list-style-type: none"> Maintaining economic benefit to the Region at an average of \$40 million per year Working with promoters to deliver special events to Wellington
<ul style="list-style-type: none"> Continue to enhance food and beverage offering 	<ul style="list-style-type: none"> Greater range and quality of offerings Higher customer satisfaction
<ul style="list-style-type: none"> Improved fan experience and hirer satisfaction 	<ul style="list-style-type: none"> To achieve a net satisfaction score above 80% for major sports and entertainment events. To achieve a net satisfaction score above 70% for all other sporting events. To develop an accessibility improvement plan
<ul style="list-style-type: none"> Sustainability 	<ul style="list-style-type: none"> Explore opportunities where the Trust can reduce environmental footprint

Financial Performance Measures

The key performance indicators agreed with the Wellington City Council and Greater Wellington Regional Council are:

- Revenue – total, and event
- Net surplus (deficit)
- Net cash flow
- Liquidity ratio
- Bank borrowing to total assets
- Capital expenditure

We have reviewed these indicators and believe these are appropriate to the purpose of the Council's monitoring the Trust performance. They are reported on by the Trustees in their six monthly reports.



4. BOARD APPROACH TO GOVERNANCE

Role of the Board

The Board of Trustees is responsible for the proper direction and control of the Trust's activities. This responsibility includes such areas of stewardship as the identification and control of the Trust's business risks, the integrity of management information systems and reporting to stakeholders. While the Board acknowledges that it is responsible for the overall control framework of the Trust, it recognises that no cost effective internal control system will prevent all errors and irregularities. The system is based on written procedures, policies and guidelines, and an organisational structure that provides an appropriate division of responsibility, sound risk management and the careful selection and training of qualified personnel.

Board Operation

The Board has three Standing Committees that focus on specific areas of the Board's responsibilities. These Committees are the Finance Committee, the Audit Committee and Health & Safety Board Sub-Committee.

The Board meets eight times per year. The Finance Committee meets when required. The Audit Committee meets at least annually. The Health & Safety Committee meets quarterly.

Board Performance

The policy of the Board has been that the Chairman conducts an interview with each Board member prior to the expiry of their term. Each new Board member undertakes an induction program to familiarise themselves with the Stadium, its operation and Board issues. Given the experience of the current Board it has been deemed that a Board development program is not necessary. If there are any Board performance issues, the Chair will bring them to the attention of the Mayor of WCC and the Chair of GWRC.

At the first meeting of the new financial year, the Chairman of the Audit Committee conducts a review of the Chairman's performance.

A full Board performance review has recently been conducted and no significant issues identified.

Board Membership

The Trust Deed states that there shall be not less than five, nor more than eight Trustees.

The Trustees are appointed jointly by the Settlers (Wellington City Council and Greater Wellington Regional Council).

The Wellington City Council and the Greater Wellington Regional Council can each independently appoint one of their elected Councillors as a Trustee.



The current Trustees are:

Name	Appointed until:
John Shewan (Chair)	30 June 2018
Therese Walsh	30 June 2018
Steven Fyfe	30 June 2019
Mark McGuinness	30 June 2020
Rachel Taulelei	30 June 2020
Tracey Bridges	31 December 2020
Simon Marsh	declaration of results of 2019 Council elections
David Ogden	declaration of results of 2019 Council elections

5. ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

Health & Safety

The Trust has well developed health & safety policies which were reviewed by an external consultant and are regularly updated.

Staff who have influence over Health and Safety matters are required to acquire and keep up to date with Health and Safety matters including attendance at relevant course and conferences.

All staff receive regular training in respect of health & safety procedures.

A Health & Safety booklet has been produced which includes Stadium policies, the roles for staff and contractors, incidents and accident investigation, general site safety, emergency procedures and induction.

There are three Committees with a health and safety focus:

- Emergency Control Organisation/Emergency Planning Committee (meets ahead of each major event);
- Health and Safety Committee which includes key the Trust staff as well as contractors and tenant organisations (meets monthly);
- Board Health and Safety Committee (meets quarterly).

All contractors coming on-site are required to:

- Complete a health & safety agreement
- Complete a health & safety induction plan
- Provide a contractors safety plan
- Operate safely and report any hazards, near misses and injuries

RISK MANAGEMENT

Earthquakes

Prior to construction (July 1995), the Trust commissioned a full geo-technical report on the site. The ground was improved with vibro-replacement producing gravel columns at spacing of two to three metres to mitigate the effect of earthquakes.

The Trust has used the learnings from the recent earthquakes to strengthen its crowd control and evacuation procedures.



The Trust has conducted a study to enable the Stadium to better understand its current percentage of New Building Standard (% NBS), the interaction between the reclaimed land and the building structure, the differential lateral spread expected and as well as a building seismic assessment. While no significant issues emerged, we will be implementing some resilience works that will enhance the structures.

Insurance

The Stadium insurance programme is managed by Marsh Ltd. The Trust operates a maximum first loss policy that provides cover for the maximum credible loss for fire, earthquake and other perils. The current maximum cover insured is \$200m for material damage and \$28 m for business interruption.

The building reinstatement value was assessed in September 2017 at \$264m. The Trust has used the maximum first loss policy since 2003 based on modelling work undertaken with Marsh which has supported \$200m as being appropriate cover in this context.

The Stadium is required to cover the first \$7.0 million of any earthquake claim. There have been no material changes to the cover or the deductibles from the previous year.

Business Continuity Plan

The Trust has a Business Continuity Plan. The Trust has ongoing interactive training sessions with all staff to reinforce the content and requirements of the plan. This will be refreshed in 2018/19.

Communication and Access to Information

The Trust enjoys a positive and open relationship with both of its settlors, and both settlors have representation on the Board of Trustees. The Trustees confirm they intend to continue to operate on a "no surprises" basis with communication of any significant event likely to impact on either party made as soon as possible. This has worked well in the past.

6. ADDITIONAL INFORMATION

Reporting

The Trustees will present a six monthly report to both Councils, which will include a written report on agreed key performance indicators and financial statements for the period. The Trust will provide a formal briefing to both Councils, twice a year, on activities to date and review the outlook.

Audited financial statements will also be available on completion of the annual audit.

The Trustees will inform the Councils of any significant expected obligations or contingent liabilities to third parties.

Major Transactions

There are no major transactions likely to occur in the planning period that are not identified in the Business Plan.

Any particularly contentious transactions will be brought to attention of the Council at the earliest opportunity.



Accounting Policies

General accounting policies of the Trust are set out in the Statement of Significant Accounting Policies. These policies are consistent with the policies applied in the previous year, apart from the presentation change relating to the limited recourse loans.

OTHER ITEMS TO BE INCLUDED IN THE STATEMENT OF INTENT

Ratios

The ratio of Trust Funds to Total Assets is expected to be:

30 June 2019	TBC%
30 June 2020	TBC%
30 June 2021	TBC%

The ratio of total Trust Assets to Trust Liabilities is expected to be:

30 June 2019	TBC%
30 June 2020	TBC%
30 June 2021	TBC%

Trust Funds are defined as the residual interest in the assets of the Trust after the deduction of its liabilities.

Assets are defined as service potential or future economic benefits controlled by the Trust as a result of past transactions or other past events.

Liabilities are defined as future sacrifices of service potential or of future economic benefits that the Trust is presently obliged to make to other entities as a result of past transactions or other past events.

Distributions to Settlers

Section 5 of the Trust Deed sets out the powers of the Trustees regarding the income of the Trust.

The Trust is required to pay surplus funds to the Wellington City Council and Wellington Regional Council in reduction of their limited recourse loans after meeting costs, liabilities and debt reductions and after allowing for the appropriate capital expenditure and transfers to reserves.

The Trust does not expect to have surplus funds available for repayment in the years covered by this Statement of Intent.

No other distributions to settlers are intended to be made.

Investments in other organisations

The Trustees currently have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.



Compensation from local authority

There are no activities for which the Trust seeks compensation from any local authority.

Trust's estimate of the commercial value of settlor's investment in the Trust

Not applicable

Other matters as set out in the Funding Deed

Significant Third Party Obligations

There are no significant third party obligations other than those disclosed in the Financial Statements.

Relevant Legislation

The Trustees confirm that the Trust will comply with all relevant legislation affecting the conduct of this business.



STATEMENT OF 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.

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 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.

John Shewan

Chair

FOR THE TRUSTEES

WELLINGTON REGIONAL STADIUM TRUST



**Draft Statement of Intent and Business Plan
2018-19
Wellington Zoo Trust
Me tiaki, kia ora!**

Pursuant to Schedule 8 of the Local Government Act (2002)



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1. INTRODUCTION

Wellington Zoo is a progressive zoo which exists to create community value and to solve important social and environmental problems – people disconnected from nature in an urbanised world and the loss of species worldwide. We strive to ignite a zoo revolution through leading the way in connecting people and animals and saving animals in the wild by having our community love and support their zoo. We have local and global influence in animal welfare, sustainability initiatives and conservation outcomes. We live by the ethos of **Me tiaki, kia ora!** This means that we **must** care for the planet so that life will thrive.

Wellington Zoo contributes to the vibrancy and innovation of our city through our support for Council strategies and initiatives. **The Zoo aims to be a reflection of our city and contribute to the thriving cultural and natural heritage of Wellington as an accessible and liveable city.**

We believe that future capital investment will ensure the Zoo remains leading edge and we believe acquisition of animals such as Snow Leopards allow us to tell a global conservation story which will drive action for the environment. We see our capital investment and asset planning **as a response to community** expectations of a progressive and professional zoo and to create **ongoing resilience** for one of our city's most iconic places. We have included the proposed CAPEX projects in this SOI, as discussed with WCC officers, according to the 2018-28 Long Term Plan. Additionally, we have listed those projects not for consideration in the next ten years but which we feel will ultimately be required for Wellington Zoo.

The Zoo has large-scale social impact by building brighter futures for children, families, communities and the planet. As a model for progressive zoos, our local and global conservation partnerships and our leading sustainability initiatives are critical to continued success. Our reputation as a world leading and highly respected Zoo allows us to define community calls to action through our **storytelling** that lead people to take meaningful action for our planet. We know that demographics of zoo-based visitation (US-based data) show that 55% of zoo visitors are millennials, 23% Gen X, 23% Boomers, 3% matures with an average age of 42 years. This data means that our capacity for social conversations reaches across all demographic groups. As a highly visited cultural place we can influence with environmental messages and create a tomorrow we can all be proud of for the planet.

We agree to the financial and non-financial expectations of the Zoo and the SOI outlines how we will implement these expectations.

2. CONTRIBUTION TO OUR CITY

The Zoo is a strong contributor to our city, focusing on knowledge, collaboration, innovation and positive action. It contributes to the vibrancy and forward thinking of our city. We aim to be a reflection of our city and contribute as a cutting edge business with talented people to the thriving cultural and natural heritage of Wellington as a liveable city. The Zoo contributes strongly to liveability outcomes by being an integral part of the well-being of people that Wellington is renowned for amongst New Zealand cities.

We are working with WREDA to ensure economic growth and tourism for our city. As winners of Green Gold and Vibrant Gold, Wellington Gold Awards and the supreme winner of the Wellington Region Business Awards 2015 we believe we are perfectly placed to add value to the economy of our region.

Wellington Zoo will be seen as:

- A leader in the city in shaping the community's views on and action for conservation and sustainable living.
- A valued and valuable member of the Wellington regional community that adds to the prosperity of our city through business activity, events, connections, inclusivity and engagement for children and their families and other members of our society.
- A substantial player in the drive to position Wellington as a centre for learning about and expertise in conservation and sustainability.
- A key contributor to helping the city become internationally competitive, entrepreneurial and innovative by attracting investment in education, research, tourism and employment and contributing to the provision of a vibrant city attracting a creative working population.
- An important part of Wellington's history as New Zealand's first zoo and the most visited paid cultural attraction in Wellington.
- Wellington Zoo is an important part of the regional fabric that stimulates overall wealth creation, social stability and connects people to conservation and environmental issues. As our region's only zoo we are a unique asset for our city.

3. STRATEGIC DIRECTION

Purpose

Wellington Zoo Trust Incorporated is incorporated under the Charitable Trusts Act 1957 and is a not for profit organisation.

Wellington Zoo exists to ignite a zoo revolution. We lead the way in connecting people to animals and saving animals in the wild by our community loving and supporting their Zoo.

Core Business

The Trust will continue to provide the core business services that the Zoo has historically delivered to Wellington. These can be summarised as follows:

- Strategic direction and operational management of the Zoo.
- **Development and maintenance of animal habitats which offer engaging experiences to visitors and high quality living environments to the resident animals.**
- **Provision of engaging learning experiences for visitors and community involvement with the Zoo as a community asset.**
- **Educational curriculum delivery to develop children as contributing citizens.**
- **A safe and inspiring place for family engagement and community learning.**
- Care of the Zoo's animals to achieve excellent levels of health and emotional/psychological well-being according to the Five Domains of Animal Welfare.
- **Contribution to conservation through advocacy, support for field conservation programmes and sustainable management practices.**
- Participation in collaborative inter-zoo, and other conservation agency, programmes.
- **Contribution to conservation, scientific, learning and management research projects in the field and on site.**
- Fundraising for the organisation's future sustainability, development and conservation projects.

Trust Deed

Wellington Zoo Trust Deed states the objects of the Trust as follows:

"7.1 The objects for which the Trust is established, to the extent that they are a charitable purpose within New Zealand, are as follows:

7.1.1 To manage, administer, plan, develop, maintain, operate and promote Wellington Zoo as a zoological park for the benefit of the Wellington community and as an attraction for visitors to Wellington;

7.1.2 To educate the community by building an awareness of plant and animal species and the actions required to promote conservation;

7.1.3 To promote species conservation;

7.1.4 To support and complement the conservation and learning activities undertaken by other organisations;

7.1.5 To develop, manage and plan animal species management programmes;

7.1.6 To promote and coordinate the raising of funds to assist the management, administration, maintenance, planning, promotion and further development of Wellington Zoo;

7.1.7 To acquire additional plant and animal species;

7.1.8 Generally to do all acts, matters and things that the Trustees think necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the Wellington community."

Operating Environment

As the capital city zoo we believe we should be providing a uniquely Wellington Zoo experience for families, school groups and other visitor groups - innovative, fun, professional, creative and personal.

We face challenges as a fixed cost organisation, especially in areas such as annual salary increases, cost increases from suppliers and the increasing need for commitment to conservation projects nationally and globally. **We support the Living Wage ethos and all Wellington Zoo employees are paid at or above Living Wage.** While we support the fair remuneration ethos of the Living Wage we must also address remuneration relativity issues across the Zoo so we need to explore ways of managing this pressure on our OPEX. Staff costs are our largest OPEX commitment and we strongly believe we must pay all our people fairly and equitably.

We take the care and safety of our people, our visitors and our animals very seriously and continue to invest in and research the best practice for H&S in a zoo context. We have increased staff numbers in the H&S area as a reflection of this important focus for our organisation.

Strategic Framework

Wellington City Council's Strategy for our city, Towards 2040, aligns seamlessly with the goals of Wellington Zoo Trust in that it is about inspiring each other to see the possibilities for the future. The work of the Zoo supports the four pillars of the Towards 2040 Strategy: eco city, people-centred city, connected city and dynamic city centre. The Zoo is an iconic asset for our city and as our city population grows there will be an even greater desire for the Zoo to be a sophisticated and accessible attraction which delivers 21st century conservation programmes and actions.

Wellington Zoo's strategy is about the Wellington Zoo of the 21st century and seeks to take us into a new realm which builds on our success of the past few years, using the rebuilt Zoo physical platform and setting the stage for Wellington Zoo to be seen as a leader and trusted voice in the conservation of species and sustainability outcomes. The loss of biodiversity is a major global issue facing us all so our strategy seeks to put accelerant on the fire of change. Wellington Zoo distinguishes itself as a progressive zoo in global terms and we want to continue this reputation across our strategic goals. (See below.)

Our values underpin our strategy and structure and they resound with our approach to being a welcoming, happy place. Our iwi alignment is reflected in the iwi interpretation of the values and we have worked with Taranaki Whānui ki Te Upoko o Te Ika to ensure the correct concepts reflect our intentions. (See below).





As a sustainable organisation we also consider the **UN Sustainable Development Goals** in our approach. (See *below*.) These 17 global goals set the framework for global prosperity - the very things we all want for our city. While we would aspire to address all 17 goals we are realistic and feel that we are in the position to address many but not all. Over time we will be integrating the SDGs into the work of the Zoo and how the Zoo is positioned in our community. Sustainability is more than environmental initiatives and the SDGs frame that bigger picture.

The Sustainable Development Goals (SDGs), officially known as "Transforming our world: the 2030 Agenda for Sustainable Development" is a set of 17 aspirational Global Goals with 169 targets between them.

In September 2015, all 193 Member States of the United Nations (including New Zealand) adopted a plan for achieving a better future for all – laying out a path over the next 15 years to end extreme poverty, fight inequality and injustice, and protect our planet. At the heart of Agenda 2030 are these 17 Sustainable Development Goals (SDGs) which clearly define the world we should all want – applying to all nations and leaving no one behind. This Agenda is a plan of action for people, planet and prosperity.

The Sustainable Development Goals provide a powerful aspiration for improving our world. The Sustainable Business Council NZ (SBC) has adopted the SDGs and as an active member of the SBC we are also working to create a better world.

Wellington Zoo is seen as a leader in sustainability in the global zoo and aquarium profession and we will be at the forefront of developing the World Zoo and Aquarium Association global sustainability strategy over the next two years.



Wellington Zoo Trust's strategic elements are to:

Connected City, Eco City, People Centred City



The Zoo is perfectly positioned, as a multi award winner in visitor experience, business leadership, vibrancy, sustainability and conservation, to take an active role in delivering conservation and sustainability messages to a large audience of over 250,000 visitors on-site and many more online. We create compelling stories with clear calls to action and we craft community campaigns that move beyond simply raising awareness of an issue to driving lasting change and building a better world.

Wellington Zoo will continue to build its reputation as a unique and innovative Zoo by including more opportunities for our visitors to experience multi-layered and multisensory learning experiences. We have rich content for storytelling and engagement with communities. We design creative and profound visitor experiences which connect people and animals in ways which inspire communities to take positive action for the environment.

Our commitment is to ensure continual improvement in visitor experience to achieve wider engagement within the community. We offer a range of events, discount days and other visitor programmes which ensure we engage our whole community in the work of the Zoo. Accessibility is important to us as we believe that the Zoo belongs to everyone. We have achieved Be:Accessible Gold rating and we continue to improve the Zoo experience for all visitors.

Programmes such as The Warehouse Wellington Zoofari for low decile schools, LEOTC discounted entry, Neighbour's Night for our Newtown and Melrose locals, discounted entry on Winter Wednesdays and \$2 Open Weekend ensure accessibility for a wider segment of the community. Zoo Crew membership is continually increasing and this is a strategic aim for us as Zoo Crew provides an excellent value proposition for Wellington city rate payers and residents who visit the Zoo often throughout the year.

Our dynamic website broadens the reach of our message based experience; the visitor experience starts at home, with our regularly updated website reflecting the experience within the Zoo and showcasing our new Zoo for the community. Tying our communications strategy to a theory of change helps ensure that our storytelling efforts are tied to overarching goals, not simply focused on promotion or awareness.

As a child friendly city it's important for Wellington to cater for young people and their families, and for the Council this means providing safe, accessible and enjoyable places for recreation and play, and offering community events and activities that are suitable for all.

Eco city



Our end game is to save animals in the wild, locally and globally. We have a global conservation remit. The *Wild Ideas* symposium in April 2017 highlighted all the conservation partners of Wellington Zoo both local and global. Our Conservation partners' discussion of their innovative approaches to significant biodiversity issues restores faith that we can win this battle together with Wellington Zoo as a major voice to be heard for the conservation of species. We strive to show thought leadership in global conservation and sustainability.

In the Social Return on Investment research we completed in 2015-16, 75-89% of visitors learnt that zoos play a vital role in conservation and have learnt ways that they can also contribute to conservation after their visit to Wellington Zoo. After visiting Wellington Zoo, 80% said they plan to change their behaviour to benefit the environment.

We are a key stakeholder in collaborative conservation breeding as well as science and veterinary research programmes within the zoo community, with other conservation agencies and higher learning organisations in Wellington, across New Zealand and beyond.

Our Species Plan focuses on the number of critically endangered and endangered species we have in human care at the Zoo and those we support through our conservation programmes in the animal's range state. The field conservation programmes for critically endangered and endangered species in their range state that we support are: Sumatran Tigers through Wildcats Conservation Alliance, Tasmanian Devils through Save the Devil Program, Malayan Sun bears through Free the Bears South East Asia, Cotton Top Tamarins through Proyecto Titi, Black and White Ruffed Lemurs through Madagascar Fauna and Flora Group, Chimpanzees through the Jane Goodall Institute, White Cheeked Gibbons through Fauna and Flora International, Vietnam, Kea through Kea Conservation Trust, North Island Kākā through breed for restoration programmes, Grand and Otago Skinks with DOC, Kororā and Tawaki through West Coast Penguin Trust and Golden Lion Tamarins through Associação Mico-Leão Dourado. The planned acquisition of Snow Leopards, Ring Tailed Lemurs and endangered Southern Hairy-nosed Wombats in the future will provide further opportunities for our community to engage with global conservation issues for endangered species.

The Nest Te Kōhanga works with a variety of native species. Native wildlife cases now make up 70% of the veterinary medicine case load – including many who are critically endangered and endangered. Our success in this area, of successfully releasing injured native wildlife back to the wild, is above world standard for zoo veterinary hospitals and we take great pride in this achievement.

People-Centred City, Connected City, Dynamic Central City



The Zoo's contribution to the economic development of our city is through its financial results, creating a place Wellingtonians can feel proud of, by the employment of over 90 people (73 FTE) and by being one of the largest employers in Newtown.

The Trust will continue to drive for results in its commercial imperatives this year to ensure financial sustainability. As a social enterprise we seek to ensure our financial sustainability so that our social and environmental goals can be achieved.

Wellington Zoo is inclusive for all sectors of our community – our visitor mix is diverse and we ensure that all visitors feel safe and respected. Our visitor numbers continue to grow. The SROI research from 2014-15 showed clearly the **economic significance** of Wellington Zoo to the City from visitors to the Zoo. Our visitor feedback is positive and people are enjoying the continual change in the Zoo. Our Animal Close Encounters continue to attract visitors, and venue hire and functions bookings are increasing as more people come to realise how beautiful the Zoo is and how much it has changed over the past eleven years. We continue to build on this success year on year.

People Centred City, Eco city, Connected City, Dynamic Central City



Wellington Zoo has been recognised in a multitude of awards over the past few years, from holistic sustainability to business and environmental leadership. We will continue to strive for excellence across our organisation. To achieve our strategy we will be ensuring our commitment to sustainability and our carboNZero certification continues with projects such as the solar power installation in as many Zoo buildings as we can. We are transitioning to EVs which supports Council's intentions in this area and we will be obtaining our electricity from Ecotricity, the only carboNZero certified electricity provider in NZ.

As one of the key environmental education providers in Wellington, the Zoo has a Learning Experience Outside the Classroom (LEOTC) contract with the Ministry of Education. Last year over **11,000 school children** connected with animals at Wellington Zoo during a learning session. We have negotiated a new contract with the Ministry to provide further LEOTC experiences for the coming three years.

The MOE measures the success of the learning programmes at Wellington Zoo and we continue to receive positive feedback on our educator-led learning sessions and our innovative programmes that align with the Ministry's target areas, including improving education outcomes for Māori and Pasifika learners, special education learners and those from low socio-economic backgrounds.

Our partnership with The Warehouse continues to bring low decile schools from across the Wellington and Tasman regions to the Zoo for learning sessions as part of *The Warehouse Wellington Zoofari* (Zoofari). Around 1,200 children per year from low decile schools, along with their parents and teachers, are visiting the Zoo as a result of Zoofari so the Zoo continues to build links to communities around the region. This year the programme will be nationally focussed, with the four major Zoos across New Zealand collaborating to deliver aligned Zoofari experiences for underserved communities.

Wellington Zoo's *Bush Builders* is a unique environmental literacy programme that helps urban students discover for themselves the wonder of the world around them, in their own schools and homes, and to empower them to take positive action in their own communities. This successful programme has influenced over 4,000 students in our region. The South Wellington Intermediate School (SWIS) and Wellington Zoo MOU continues the school's ongoing involvement in our *Bush Builders* programme. This comprises a two year programme of hands-on learning, with full school participation one year and an advanced science class taking on a leadership role alternate years. This is particularly important for young people to be given leadership opportunities within their school community.

The SWIS and Wellington Zoo partnership to support international students coming to Wellington continues, with the Zoo providing these students with opportunities to connect with animals, participate in Bush Builders and to learn about saving animals in the wild. International student programmes is a strategic area for SWIS and this programme aligns with that strategy. We envision this partnership will create long term economic and environmental benefits for our South Wellington community and the wider city.

4. PERFORMANCE MEASUREMENTS

For the next three years the following table indicates the measures for WCC to monitor. These are linked to our strategic areas.

Measure	Frequency of Measure	Forecast 2017-18	Target 2018-19	Target 2019-20	Target 2020-21	Notes
Connect people with animals						
People participating in Animal Close Encounters.	Quarterly	4,000	4,000	4,000	4,000	
Number of students participating in LEOTC sessions.	Quarterly	10,500	10,500	10,750	11,000	
Measure visitor feedback and satisfaction.	Quarterly	New Measure	8.5	8.5	8.5	New Measure: Visitor surveying is regularly undertaken each month. This target is based on the overall experience rating which is measured out of ten.
People love and support the Zoo						
Increase total visitation.	Annually	242,000	244,420	246,864	249,333	
Percentage of operating costs generated by the Trust.	Annually	52%	56%	56%	56%	
Ratio of Trust generated income as percentage of WCC grant.	Annually	125%	127%	126%	126%	
Average income per visitor from Trust generated revenue.	Annually	\$16.76	\$17.21	\$17.34	\$17.49	
Average WCC subsidy per visitor.	Annually	\$13.39	\$13.58	\$13.79	\$14.01	
WCC full subsidy per visitor.	Annually	\$22.85	Not available from WCC	Not available from WCC	Not available from WCC	This KPI is generated by WCC and is not controlled by the Trust. It includes depreciation and shared services costs, CCO team costs, insurance, CAPEX interest and the OPEX grant. The final figures are not available for the Draft SOI and will be included in the final SOI in May.
Volunteer engagement survey.	Annually	1	1	1	1	

Measure (continued...)		Frequency of Measure	Forecast 2017-18	Target 2018-19	Target 2019-20	Target 2020-21	Notes
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.		Annually	27	27	27	27	
Percentage of native patients successful released to the wild after treatment in The Nest Te Kōhanga (TNTK).		Annually	65	70	70	70	% of animals successfully treated after being admitted into TNTK post 72 hour triage period.
Number of Field Conservation Projects supported for threatened (NZ) endangered or critically endangered (global) species.		Annually	5	8	8	8	
% of OPEX directly contributed to field conservation.		Annually	4%	5%	6%	7%	This measure uses the Zoo Aquarium Association (ZAA) Australasia Framework to measure direct contributions to field conservation.
Participate in zoo-based research projects and paper publication.		Annually	9	10	11	12	
Lead the way							
Maintain Zoo and Aquarium Association Animal Welfare Accreditation.		Annually	Achieved	Achieved	Achieved	Achieved	
Maintain carbonZero certification.		Annually	Achieved	Achieved	Achieved	Achieved	
Health & Safety targets	Safety Improvement Team meeting attendance.	Annually	H&S Safety targets Achieved	70%	80%	80%	Measured against those staff available to attend meetings - 12 meetings per annum. New Measure to make the measures more specific.
	Successful Emergency drill/incident debriefs held.	Annually	H&S targets Achieved	8	8	8	Includes emergency drills, trial evacuations and real incidents occurring which require debriefing. New Measure to make the measures more specific.
People & Culture Targets	Staff Recognition Awards.	Annually	People and Culture targets Achieved	1	1	1	New Measure to make the measures more specific.
	Staff Learning and Development Sessions held.	Annually	People and Culture targets Achieved	10	10	10	New Measure to make the measures more specific.

Budgeted Visitor Numbers by Quarter 2018-19

Q1	Q2	Q3	Q4	TOTAL
43,501	69,272	64,639	67,008	244,420

5. APPROACH TO GOVERNANCE

Wellington Zoo Trust is a Council Controlled Organisation having been established in 2003 by the Wellington City Council to develop and manage Wellington Zoo.

Relationship with Council

The Trust ensures the ongoing viability of the organisation is maintained through the monitoring of Key Performance Measures. Governing policies have been developed by Trustees to ensure the business of the Trust is managed consistently with its Deed and stated direction.

As part of the ongoing relationship with the Wellington City Council, the Chair and Chief Executive meet with the Mayor and Wellington City Council Chief Executive on a regular basis. The Wellington Zoo Chief Executive meets regularly with Council officers for CCOs and other Council management when appropriate. The Chair and Chief Executive attend the CCO Performance Committee meetings as required.

The Trust's Statement of Financial Performance and audited accounts will be presented to Council within 60 days of financial year end. **These statements include the budget from the SOI for the same period as per the Letter of Expectation and our usual approach to the accounts.**

The Trust will disclose any material or potentially contentious transactions that are planned within its annual business plan. Where this is not possible, the earliest practicable notice will be given to Council of such transactions.

The Trust will publicly acknowledge Council's contribution to the Zoo wherever appropriate.

The principles governing the relationship between the Trust and Council will include:

- A "no surprises" approach
- Open communications which acknowledge each partner's objectives and constraints
- Mutually respectful negotiation of resolution of differences
- Reciprocal recognition of the requirements of each other's processes
- Provision of quarterly reports against agreed KPMS and an annual report within three months of balance date.

Board Membership

Name	Term Expires
Craig Ellison (<i>Chair</i>)	30 November 2020
Ben Bateman	30 June 2020
Raewyn Bleakley	30 November 2020
Peter Gilbert	31 October 2019
Michael Potts	30 June 2019
Sue Paterson	31 August 2019

All Board members are non-executive.

Board Committees

The Board operates one committee - the Finance, Audit and Risk Committee.

Board Development

The Board conducts an annual review of overall Board performance which determines individual and chair development needs and any other actions required to ensure best practice governance and performance standards are met. The Trust promotes Board development for corporate governance and spends at least ten hours a year on this at Board meetings and additional workshops and discussions. **A report will be tabled to the WCC Chief Executive on the Board review and outcomes by 30 September 2019.**

6. ORGANISATIONAL RESILIENCE AND RISK ASSESSMENT

Wellington Zoo Trust has a Finance, Audit and Risk Committee which meets quarterly throughout the year. The Board monitors our Risk Analysis and Mitigation Plan at least annually and this document is updated as required. **Health and Safety is currently managed via the GM Assets and Safety who is a direct report to the Chief Executive.** The H&S Advisor works with our Safety Improvement Team to ensure safe practices in the Zoo for animals, staff and visitors. All Health and Safety incidents are monitored weekly by the SMT and by the Board at their regular meetings.

As with all our H&S responsibilities the Board (and other officers of the Trust) acknowledges and understands its accountability. We have made the appropriate improvements to ensure the new H&S legislation is well managed and that the Trust meets the required reporting, monitoring and reviewing of H&S objectives. We have regular conversations with relevant WCC officers in regard to H&S activities to ensure WZT and WCC are aligned in our approach.

The renewals budget allows us to maintain a resilient asset for the city. **Future CAPEX investment** will ensure the Zoo continues to meet expected zoo standards of animal care, visitor experience and staff welfare. **The Asset Management Plan will capture the required maintenance and renewals programme for the Zoo's built assets.**

The Trust commits to raising 25% of the cost of any new CAPEX investment. This percentage is included in the gross costs of the table below.

Proposed New Capital Projects	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	TOTAL
Snow Leopards Snow Leopards are endangered in the wild, with a population of less than 7,000 thought to exist in their mountainous range state. International research shows that big cats are the biggest draw card for visitors attending zoos. As the only zoo in New Zealand with Snow Leopards, we would be part of the international commitment to protect this species via home range conservation action. The preliminary design is complete for this project. This project has been prioritised by WZT for some years now.		300,000	1,600,00	1,600,000							\$3.5m Included in the LTP
Savannah Survival (Cheetah and Lions) The current cheetah and lion habitats and dens are old. Cheetah are an iconic species for Wellington Zoo and we support Cheetah Outreach in South Africa as part of our suite of range state conservation programmes. Cheetah also a major factor in our Close Encounters which provide a more in depth learning opportunity for visitors. We would also like to be able to have both male and female lions on display together which we cannot with the current arrangement. These iconic cats need better housing and viewing arrangements. As part of the Africa precinct visitor engagement strategy we believe glamping options in this area would be successful.							333,333	2,666,667	2,000,000		\$5m Included in the LTP
Welcome Plaza This area of the Zoo is currently unsuitable for growth in visitor numbers. It is confusing and congested for staff and visitors with many functional activities taking place in a small space. Admissions, retail, catering and visitor amenities all compete for space and visitor flow. On busy days the space is so crowded that long queues form outside the Zoo. The auditors have mentioned the confusion in this area for the past three years as part of their audit process. The design will include a new learning/discovery space as well as admissions, retail, cafe and new staff offices.											\$5.5m Not included in LTP
Archibald Centre - multi use visitor space The Archibald Centre is an old multi use building which will need replacing in the next ten to fifteen years. This venue is used for corporate hire, functions and meetings. It is a critical part of our revenue growth and will need to meet acceptable standards. This building was built in the 1960s and while it is acceptable it is not a space that suits modern venue hire expectations. As the Zoo strives to reduce the burden on the ratepayer having a suitable venues assist us with much needed revenue.											\$2m Not included in LTP

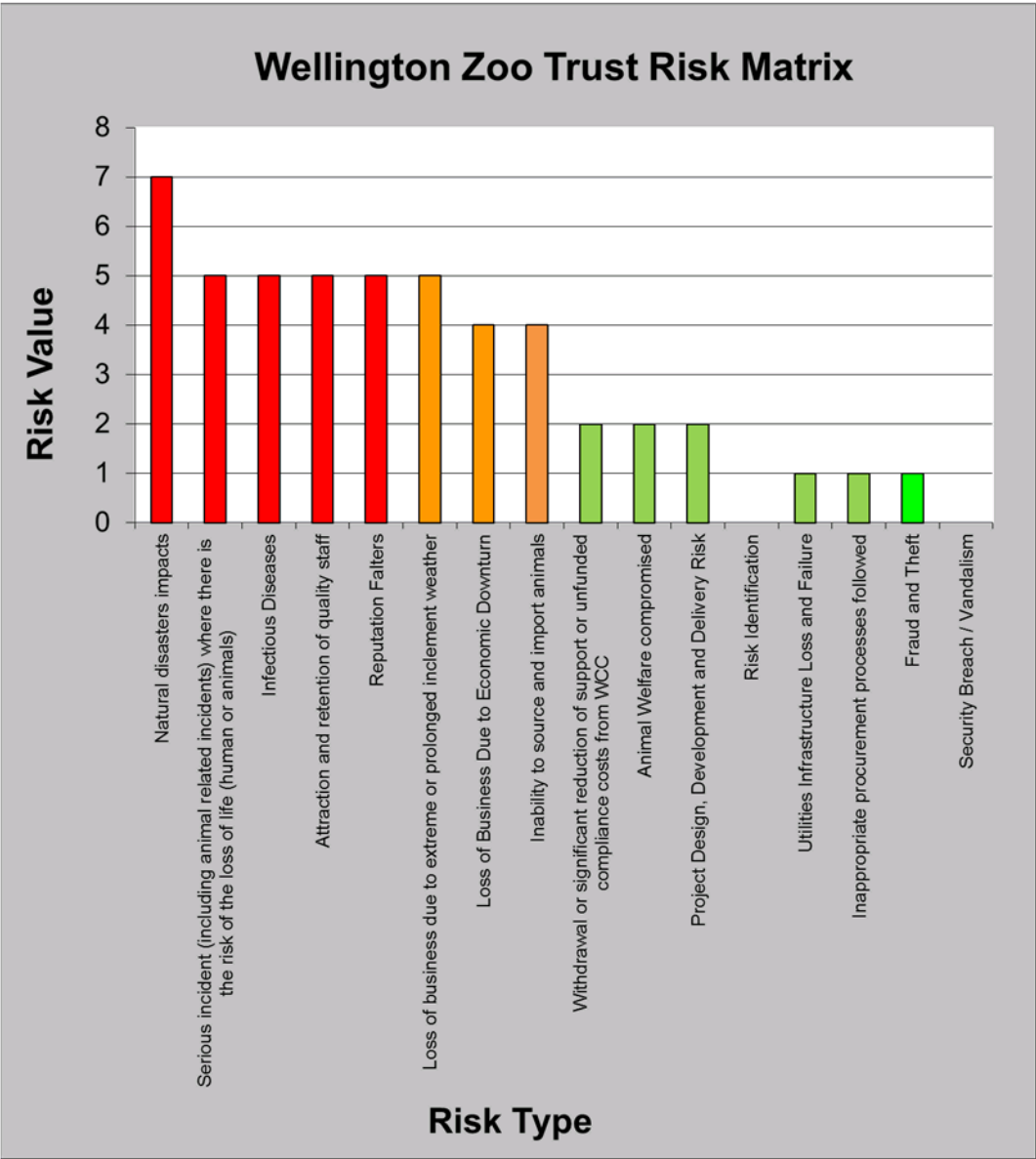
Risk Analysis & Mitigation Plan for Wellington Zoo Trust

Risk Identification	Probability	Impact	Risk Value	Risk Mitigation	Accountability	Responsibility
Natural disasters impacts	0	7	7	Business Continuity Plan, Emergency Management Plans. All documents reviewed annually. Regular practice drills carried out. Once emergency is over then a tactical marketing and communications plan will be implemented.	CE & Board	Board, SMT and GMAS
Serious incident (including animal related incidents) where there is the risk of the loss of life (human or animals)	-2	7	5	Emergency Management Plans, Health & Safety Management System reviewed annually. Regular practice drills carried out. Monitored Fire Alarms in all people occupied buildings and where possible in animal housing depending on risk. Building WOFs. Annual MPI audit and Containment Standards maintained. Inductions (staff and contractors), Monitor competency of staff and contractors.	CE & Board	Board, SMT and GMAS
Infectious Diseases	-1	6	5	Health & Safety Management Plan, EPA/MPI policies, Infectious Diseases Policy, veterinary protocols and pre-import screenings.	CE & Board	Board GMAC&S
Attraction and retention of quality staff	-1	6	5	Recruitment and induction processes. Learning and Development strategy. Career progression initiatives. Remuneration Policy. Engagement through shared values.	CE & Board	Board CFO
Reputation Falts	-1	6	5	Communications protocols to communicate with key stakeholders, media and community in event of reputational risk. Strong relationship management with partners and stakeholders e.g. DOC, MPI, WCC. Mitigations in place to avoid this happening include: Animal Welfare Accreditation, Euthanasia Policy, Code of Conduct, Media Relations Policy, Use of Electronic Media Policy, Disciplinary Policy, H&S Policy.	CE & Board	Board, SMT and GMAS
Loss of business due to extreme or prolonged inclement weather	0	5	5	In the event of an extreme weather event that results in a prolonged impact on our business, tactical marketing and pricing will be put into effect. Aspects of the planned recovery from such an extreme one off event are also covered in the Business Continuity Plan. Review budgets, reduce spending, and investigate new revenue raising initiatives.	CE & Board	Board GMBP GMCE
Loss of Business Due to Economic Downturn	-1	5	4	As part of the annual planning process the economic climate is evaluated and reviewed. In the event of an unexpected sharp economic downturn tactical marketing and pricing will be put into effect and tempered by prudent financial management.	CE & Board	CE Board
Inability to source and import animals	-1	5	4	Zoo Species Plan that is continually updated, Animal Science Manager position that is responsible for sourcing animals, ZAA and WAZA members and have relationships with other zoos around the world to source animals through programmes such as ASMP.	CE & Board	Board GMAC&S

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

4 APRIL 2018

Risk Identification	Probability	Impact	Risk Value	Risk Mitigation	Accountability	Responsibility
Withdrawal or significant reduction of support or unfunded compliance costs from WCC	-2	4	2	Statement of Intent, Contract for Services, relationship plans where appropriate and regular meetings with key contacts at WCC such as The Mayor, Deputy Mayor, Portfolio leaders, Councillors, Chief Executive and ELT, presentations at relevant Committee meetings, inclusion of WCC partners at all events, regular reporting on Zoo based activities, relationships developed between relevant officers across WCC and related Zoo portfolios managers	CE & Board	CE Board
Animal Welfare compromised	-3	5	2	Through ZAA Accreditation the Zoo's animal's welfare state is evaluated. Husbandry Manuals which are regularly reviewed and updated ensure that all animal needs are met, Staff attending national and international conferences as part of development policies ensure their knowledge stays current. Governed by WZT Animal Welfare Committee	CE & Board	Board GMAC&S
Project Design, Development and Delivery Risk	-3	5	2	Project Management Process as agreed with the Board, following procurement processes for engaging Consultants and Contractors, regular progress meetings to maintain projects on time and within budget, regular reporting the Board on capital and renewals projects	CE & Board	Board GMAS
Utilities Infrastructure Loss and Failure	-2	3	1	Business Continuity Plan, WCC Business Continuity Plan. Minor Works programme ensure maintenance up to date. Connection to WCC systems where appropriate to utilise WCC backup systems.	CE & Board	Board GMAS GMAC&S
Inappropriate procurement processes followed	-3	4	1	Delegations Policy, Register of Interests, delegations for approvals, Board approval process for capital procurement and WCC signoff for Capital Procurement for major capital projects	CE & Board	Board CFO
Fraud and Theft	-2	3	1	CCTV at front entrance which is monitored weekly by SMT members and also monitored by Sales and Services Manager, Code of Conduct. Financial management procedures. Daily banking checks by Corporate Services Manager with written procedures for following up variances. Annual audit by Audit NZ. Pre-employment Criminal checks.	CE & Board	Board GMBP/CFO
Security Breach / Vandalism	-3	3	0	CCTV System and Security Alarms in all our buildings and where applicable in animal areas, weekly perimeter checks, perimeter electric fence monitored by security company. Maintenance of Perimeter Fence.	CE & Board	Board GMACS



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Risk Analysis Scale

Score	Probability that the Event will Occur
1	Almost Certain and / or could occur frequently
0	Very likely to occur and / or could occur more than once
-1	Moderately likely to occur and / or could occur at least once
-2	Unlikely to occur and / or might occur once
-3	Very unlikely to occur

Score	Level of Impact of the Event Occurring
7	Catastrophic Damage value greater than 50% of the project value, or Major delay to the project completion, or Major impact on this and other business opportunities
6	Very High Impact Damage value about 20% - 50% of the project value, or Significant delay to project completion, or Significant impact on this and other business opportunities
5	Major Damage value about 5% - 20% of the project value, or Project completion affected, or Some impact on this or other business opportunities
4	Minor Damage value less than 5% of the project value, or Project completion not impacted (although a phase of the project may be), or This business opportunity could be impacted
3	Negligible Damage value covered by contingency, any delays barely noticeable and client unaffected
2	Minimal

These two scores are added together to give a "Risk Value". This will be in the range zero to eight.



All risks with a Risk Value of 5 - 8 must have a mitigation plan developed and agreed with the Board.



All risks with a Risk Value of 3 or 4 shall have a mitigation plan so they can be managed by SMT.



All risks with a Risk Value of 0 - 2 can just be recorded and accepted as such until such time as they produce a higher score.



Any risk that has a Probability Value of one (1) or an Impact Value of five (5) or more must still have a mitigation plan even if the overall Risk Value is less than five.

7. ADDITIONAL INFORMATION

a) Response to other specific Letter of Expectation matters (if applicable)

Not Applicable.

b) Ratio of shareholders' funds to total assets

Please refer to the Balance Sheet included and Accounting Policies.

c) Estimate of amount intended for distribution

Wellington Zoo Trust does not make a distribution to the Settlor.

d) Acquisition procedures

The Trustees currently have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

e) Activities for which the Board seeks compensation from a local authority

The Board acknowledges the **\$3,319,611 for 2018-19 operational funding in the Long Term Plan.**

The Board acknowledges the **\$849,779 included currently in the Long Term Plan for Zoo Asset renewals for 2018-19.** However, we note that in the full cost of the Zoo measure calculated by WCC, depreciation for the Zoo asset is running at \$1.5m pa. This is considerably more than the renewals funding we receive. We have been discussing this issue with Officers during 2017-18 in time for LTP decisions. We believe that an uplift in renewals would enable the Trust to better maintain the Zoo asset and would reduce the need for large capital investment in the coming 20 years (excluding the projects already indicated).

f) Estimate of commercial value of shareholders investment

Not Applicable.

g) Other matters (if applicable) eg water supply services LGA requirements

Not Applicable.

h) Supplementary information the entity wishes to include

Not Applicable.

8. ACCOUNTING POLICIES

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 generally accepted New Zealand 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 its 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

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

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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, Furniture and Equipment

Shade Sail	10 years
Hospital Equipment	10 years
Living Room Furniture	15 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).

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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.

9. FORECAST FINANCIAL STATEMENTS

CCO: Wellington Zoo Trust Business Plan 2018/19		\$NZ000's						
Estimate 30-Jun-18	EARNINGS STATEMENT	Qtr to 30-Sep-18	Qtr to 31-Dec-18	Qtr to 31-Mar-19	Qtr to 30-Jun-19	Total YE 30-Jun-19	Total YE 30-Jun-20	Total YE 30-Jun-21
	Revenue							
3597	Trading Income	800	1101	1030	810	3,741	3,805	3,881
3240	WCC Grants	830	830	830	830	3,320	3,405	3,494
82	Other Grants	21	21	21	21	84	84	84
210	Sponsorships and Donations-Operational	61	51	61	52	225	235	240
500	Sponsorships and Donations-Capital					0	-	0
41	Investment Income	8	7	8	7	30	30	30
127	Other Income	31	32	32	32	127	127	127
7,797	Total Revenue	1,751	2,042	1,982	1,752	7,527	7,686	7,856
	Expenditure							
4,967	Employee Costs	1,298	1,298	1,298	1,298	5,192	5,311	5,439
2,319	Other Operating Expenses	582	581	581	582	2,326	2,370	2,417
11	Depreciation	2	2	2	3	9	4	0
0	Interest	0	0	0	0	0	0	0
500	Vested Assets					0	0	0
7,797	Total Expenditure	1,882	1,881	1,881	1,883	7,527	7,685	7,856
0	Net Surplus/(Deficit) before Taxation	(131)	161	101	(131)	0	0	(0)
0	Taxation Expense					0	0	0
0	Operating Surplus (Deficit)	(131)	161	101	(131)	0	0	(0)
0	Net Surplus/(Deficit)	(131)	161	101	(131)	0	0	(0)
0.0%	Operating Margin	-7.5%	7.9%	5.1%	-7.5%	0.0%	0.0%	0.0%

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Estimate 30-Jun-18	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-18	As at 31-Dec-18	As at 31-Mar-19	As at 30-Jun-19		As at 30-Jun-20	As at 30-Jun-21
	Shareholder/Trust Funds							
0	Share Capital/Settled Funds	0	0	0	0		0	0
0	Revaluation Reserves	0	0	0	0		0	0
1,348	Restricted Funds	1,348	1,348	1,348	1,348		1,348	1,348
342	Retained Earnings	211	372	473	342		342	342
1,690	Total Shareholder/Trust Funds	1,559	1,720	1,821	1,690		1,690	1,690
	Current Assets							
2,833	Cash and Bank	3,515	2,848	3,762	2,804		2,806	2,826
150	Accounts Receivable	80	80	80	80		60	60
130	Other Current Assets	130	130	130	130		60	60
3,113	Total Current Assets	3,725	3,058	3,972	3,014		2,926	2,946
	Investments							
0	Deposits on Call	0	0	0	0		0	0
0	Other Investments	0	0	0	0		0	0
0	Total Investments	0	0	0	0		0	0
	Non-Current Assets							
13	Fixed Assets	11	9	7	4		0	0
0	Other Non-current Assets	0	0	0	0		0	0
13	Total Non-current Assets	11	9	7	4		0	0
3,126	Total Assets	3,736	3,067	3,979	3,018		2,926	2,946
	Current Liabilities							
850	Accounts Payable and Accruals	977	647	858	763		761	756
	Provisions						0	0
586	Other Current Liabilities	1,200	700	1,300	565		475	500
1,436	Total Current Liabilities	2,177	1,347	2,158	1,328		1,236	1,256
	Non-Current Liabilities							
0	Loans - WCC	0	0	0	0		0	0
0	Loans - Other	0	0	0	0		0	0
0	Other Non-Current Liabilities	0	0	0	0		0	0
0	Total Non-Current Liabilities	0	0	0	0		0	0
1,690	Net Assets	1,559	1,720	1,821	1,690		1,690	1,690
2.2	Current Ratio	1.7	2.3	2	2.3		2	2.3
54.1%	Equity Ratio	41.7%	56.1%	45.8%	56.0%		57.8%	57.4%

Estimate 30-Jun-18	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-18	Qtr to 31-Dec-18	Qtr to 31-Mar-19	Qtr to 30-Jun-19	Total YE 30-Jun-19	Total YE 30-Jun-20	Total YE 30-Jun-21
	Cash provided from:							
3,597	Trading Receipts	800	1,101	1,030	810	3,741	3,805	3,881
3,240	WCC Grants	1641	0	1641	0	3,282	3,405	3,494
82	Other Grants	21	21	21	21	84	82	82
710	Sponsorships and Donations	61	51	61	52	225	235	240
41	Investment Income	8	7	8	7	30	30	30
127	Other Income	31	32	32	32	127	127	127
7,797		2,562	1,212	2,793	922	7,489	7,684	7,854
	Cash applied to:							
4,967	Payments to Employees	1,298	1,298	1,298	1,298	5,192	5,311	5,439
2,319	Payments to Suppliers	582	581	581	582	2,326	2,370	2,395
	Net GST Cashflow					0	0	0
500	Other Operating Costs (VESTING)			0	0	0	0	0
	Interest Paid	0				0	0	0
7,786		1,880	1,879	1,879	1,880	7,518	7,681	7,834
11	Total Operating Cash Flow	682	(667)	914	(958)	(29)	2	20
	Investing Cash Flow							
	Cash provided from:							
	Sale of Fixed Assets					0	0	0
0	Other					0	0	0
0		0	0	0	0	0	0	0
	Cash applied to:							
0	Purchase of Fixed Assets					0	0	0
0	Other -vesting Cash for Capital Projects					0	0	0
0		0	0	0	0	0	0	0
0	Total Investing Cash Flow	0	0	0	0	0	0	0

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Item 2.4

Estimate 30-Jun-18	STATEMENT OF CASH FLOWS (CONT)	Qtr to 30-Sep-18	Qtr to 31-Dec-18	Qtr to 31-Mar-19	Qtr to 30-Jun-19	Total YE 30-Jun-19	Total YE 30-Jun-20	Total YE 30-Jun-21
	Financing Cash Flow							
	<i>Cash provided from:</i>							
	Drawdown of Loans					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
	<i>Cash applied to:</i>							
	Repayment of Loans					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
0	Total Financing Cash Flow	0	0	0	0	0	0	0
11	Net Increase/(Decrease) in Cash Held	682	(667)	914	(958)	(29)	2	20
2,822	Opening Cash Equivalents	2,833	3,515	2,848	3,762	2,833	2,804	2,806
2,833	Closing Cash Equivalents	3,515	2,848	3,762	2,804	2,804	2,806	2,826

Estimate 30-Jun-18	CASH FLOW RECONCILIATION	Qtr to 30-Sep-18	Qtr to 31-Dec-18	Qtr to 31-Mar-19	Qtr to 30-Jun-19	Total YE 30-Jun-19	Total YE 30-Jun-20	Total YE 30-Jun-21
0	Operating Surplus/(Deficit) for the Year	(131)	161	101	(131)	0	0	(0)
	<i>Add Non Cash Items</i>							
11	Depreciation	2	2	2	3	9	4	0
	Other (Gifted Hospital Assets)		0		0	0	0	
11		(129)	163	103	(128)	9	4	(0)
	Movements in Working Capital							
	(Increase)/Decrease in Receivables	70	0	0	0	70	20	0
	(Increase)/Decrease in Other Current Assets	0	0	0	0	0	70	0
	Increase/(Decrease) in Accounts Payable	127	(330)	211	(95)	(87)	(2)	(5)
	Increase/(Decrease) in Other Current Liabilities	614	(500)	600	(735)	(21)	(90)	25
0		811	(830)	811	(830)	(38)	(2)	20
	Net Gain/(Loss) on Sale:							
	Fixed Assets	0				0		
	Investments	0				0		
0		0	0	0	0	0	0	0
11	Net Cash Flow from Operations	682	(667)	914	(958)	(29)	2	20



Craig Ellison
Board Chair, Wellington Zoo Trust

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY, REVIEW OF THEIR DRAFT STATEMENT OF INTENT 2018-2021

Purpose

1. To consider the Wellington Regional Economic Development Agency's (WREDA) draft Statement of Intent (SOI) for 2018-2021.

Summary

2. Officers have reviewed WREDA's draft SOI for 2018-2021, generally the draft SOI has addressed most of the matters raised in the Letter of Expectations. Officers have raised some questions and comments in this report. These and any other comments that this Committee may wish to be raised will be communicated to the Council's representatives on the Wellington Regional Strategy Committee for their meeting on 24 April.

Recommendations

That the Council Controlled Organisations Subcommittee Sub Committee:

1. Receive the information.
2. Notes the recommendations from officers detailed in this report.
3. Note that the matters raised in this report and by the Committee will be communicated by the Chair to the Council's representatives on the Wellington Regional Strategy Committee.
4. Note that the Wellington Regional Strategy Committee will consider Wellington Regional Economic Development Agency's draft Statement of Intent at its meeting on 24 April and will provide formal feedback to the Company.

Background

3. Under the Local Government Act 2002, Council Controlled Organisations (CCO) are required to submit a draft Statement of Intent (SOI) to the shareholders by 1 March for the 3 years commencing on 1 July following.
4. WREDA is owned by WCC (80%) and the Greater Wellington Regional Council (20%). WREDA has an independent board of 8 directors with political oversight of their activities being provided by the Wellington Regional Strategy Committee (WRSC) The WRSC comprises 10 elected members, 4 members from WCC and 1 member each from the other councils, with 1 member from the Wairarapa.
5. As per normal practice the WRSC sent WREDA a Letter of Expectation (LoE) outlining the matters they wished considered in the SOI, a copy is included in the SOI.
6. Any comments from this Committee on the draft SOI will be given to WCC's representatives on the WRSC for discussion at WRSC's meeting on 24 April.
7. WREDA will present their draft SOI at this meeting.

Discussion

8. In 2017 WREDA's introduced the Big 6, a series of work streams to provide a sharper focus for its work. The WRSC noted that the Big 6 could result in a tighter focus for WREDA work program but requested that a 7th activity be added, the Maori Economy. In addition they noted that the focus on the Big 6 should not downplay the importance of the visitor economy.
9. The Big 6 has now been incorporated in the SOI through WREDA's key goals, namely;
 - Promote the region's brand and identity and tell Wellington's stories that will:
 - Grow the visitor economy
 - Attract and retain business, skill and talent in the region
 - Attract an increased number of students to the region
 - Grow and expand innovative new businesses, especially in the creative and tech sectors
 - Be a partner in the Maori Economy
 - Facilitate the leveraging of the opportunities from new investment in the region
 - Build workforce and employer capability
 - Deliver an unrivalled business, consumer and major events programme
 - Utilise the management of Wellington City venues to make Wellington more vibrant and deliver an outstanding customer experience.
10. The structure of the SOI is based around the key goals with the resultant actions and plans and provides a clarity and focus requested in the Letter of Expectation.
11. In respect of Economic Development, WREDA has responded to the Letter of Expectation request to seek to leverage off Creative HQ activities and broaden their scope and is proposing a major shift in its approach, by;
 - Utilising to a greater extent the expertise held by Creative HQ (CHQ) to accelerate the growth and expansion of innovative new businesses, particularly in the tech and creative sectors.
 - Business growth resources of WREDA will be focused on delivering specific projects.
12. Officers support this change in direction and the final SOI could address further any impacts of these changes.
13. We would expect the expanded activities of CHQ to have clearly articulated outcomes and performance measures in the final SOI.
14. In terms of the remainder of the LoE the SOI responds to most of the matters raised in the Letter, there are a few comments that the Committee may wish to consider;

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- Expand on the economic growth activities that may arise from the new visitor infrastructure.
- The SOI would benefit from a deeper discussion of what WREDA considers are the constraints to economic growth.
- The Letter requested WREDA to take every opportunity to utilise council shared services to reduce its cost base, this needs to be addressed in the final SOI.

WREDA SUMMARY FINANCIALS \$'000'					
Income statement \$'000'	SOI 2017/18	Forecast 2017/18	SOI 2018/19	SOI 2019/20	SOI 2020/21
Shareholder grants	21,508	23,456	21,315	21,660	22,006
Other revenue	7,580	6,290	9,406	10,347	11,287
Total revenue	29,088	29,746	30,721	32,007	33,293
Personnel costs	12,446	13,295	11,749	12,161	12,586
Investment in Projects and Events	14,578	14,262	14,549	15,480	16,355
Other expenses	2,964	2,500	2,473	2,226	2,003
Total expenses	29,988	30,057	30,671	31,957	33,243
Net surplus (deficit)	100	(311)	50	50	50
Balance Sheet \$'000'	SOI 2017/18		SOI 2018/19	SOI 2019/20	SOI 2020/21
Current assets	3,284		3,714	3,948	4,181
Investments	1,500		1,500	1,500	1,500
Fixed assets	331		350	375	400
Total assets	5,115		5,564	5,823	6,081
Current Liabilities	3,500		3,500	3,700	3,900
Net Assets	1,615		2,064	2,123	2,181
Shareholder's Funds	1,615		2,064	2,123	2,181
Cash Flows \$'000'	SOI 2017/18		SOI 2018/19	SOI 2019/20	SOI 2020/21
Opening cash	2,100		2,100	1,991	1,882
Operating cash receipts	29,058		30,722	32,006	33,293
Operating cash payments	(29,288)		(30,945)	(32,234)	(33,243)
Other receipts	(30)		114	119	124
Net cash flow	(260)		(109)	(109)	174
Closing cash	1,841		1,991	1,882	2,056

-
15. The forecast deficit in 2017/18 is due to a timing difference with the revenue being received in 2016/17, but the associated expenditure being spent in 2017/18.
 16. The decrease in shareholder grants next year is due to the closure of the St James which results in lower salaries in WREDA and hence a lower management fee (shareholder's grant) from WCC to WREDA.
 17. The increase in Other Revenue is due to additional revenue from an expanded CHQ programme and WREDA forecasting to increase other revenue with its partners 10% each year.

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PERFORMANCE MEASURES (These are a summary of the performance measures)

Activity	Measure	Budget 2017/18	Forecast 2017/18	SOI 2018/19	SOI 2019/20	SOI 2019/20	SOI
	Total commercial guest nights	3.2m	3.3m	3.3m	3.35m	3.4m	
	Australian arrivals via Wellington Airport	160.9k	152.9k	154.9k	155.7k	158.1k	
Visitor economy	Visitor spend: Total	\$2.6b	\$2.6b	\$2.6b	\$2.8b	\$3.05b	
	International	\$860m	\$860m	\$890m	\$950m	\$1,005m	
Media Programme	Visitor attraction stories	500	625	500	500	500	
International students	International student enrolments	9,200	8,500	9,000	9,500	10,200	
Talent attraction	Net permanent arrivals	3,600	3,500	3,600	3,700	3,800	
	ROI out of Wellington spend	20:1	20:1	20:1	20:1	20:1	
Major events	Economic value of major events invested in.	\$80m	\$80m	\$80m	\$80m	\$90m	
	Total event attendance	700,000	700,000	700,000	700,000	700,000	
	Value of expenditure by out of town venue attendees	\$45.4m	\$46.5m	\$45.4m	\$43.6m	\$51.8m	
Venue Management (1)	Advance the Cultural well-being of Wellington – Number of Wellingtonian's attending performance events at Venues Wellington	290,720	308,904	290,720	263,465	308,890	
	Number of Events	624	621	624	605	661	
Screen Wellington	Value of facilitated screen production	\$100m	\$100m	\$100m	\$105m	\$105m	
Creative HQ	Number of acceleration programmes	2	2	2	2	2	
	Number of stat up ventures on the CHQ platform.	25	25	25	40	25	
	Generate income from CHQ's innovation services	n/a	\$2.5m	\$3.8m	\$6.25m	\$8.25m	
(1) Assumes the planned closure of the St James for strengthening from April 2018 for a year which impacts attendances etc, until 2019/20							

18. The source of the Performance Measures should be noted in the final SOI as well as explanations for any changes in the SOI targets and forecasts from the current year along with some background on the Measures.
19. The St James is closing for earthquake strengthening in April/May 2018 for 18 months or so, this will impact on the related Performance Measures in the SOI.

Attachments

Attachment 1. WREDA 2018-21 SOI

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Author	Barry Turfrey, Economic Development Unit
Authoriser	Danny McComb, Manager Economic & Commercial

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SUPPORTING INFORMATION

Engagement and Consultation

WREDA consults with the Council on a wide range of matters as part of our “no surprises” relationship.

Treaty of Waitangi considerations

This report raises no new treaty considerations.

Financial implications

WREDA is funded within the context of the Council’s overall Long Term Plan and Annual Plan framework

Policy and legislative implications

This report complies with the legislative requirements of the Local Government Act (2002) and is consistent with existing Council policy.

Risks / legal

Not applicable

Climate Change impact and considerations

The CCOs work with the Council and other organisations in considering the environmental sustainability of their operations.

Communications Plan

Not applicable.

Health and Safety Impact considered

Not applicable

**WELLINGTON REGIONAL ECONOMIC
DEVELOPMENT AGENCY**

**STATEMENT OF INTENT
2018 - 2021**

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Foreword

This Statement of Intent (SOI) sets out the Wellington Regional Economic Development Agency's strategic framework, activities and performance measures for the next three years.

Through the Letter of Expectation, the Wellington Regional Strategy Committee has articulated an expectation that WREDA will use its resources to support, facilitate and contribute to the growth in Wellington's economic performance that is aspired to by the communities that make up this region. WREDA's specific activities towards this aim are articulated through this SOI.

WREDA's commitment is to advance the prosperity, vibrancy and liveability of the Wellington region through a programme of work that is based on promoting and substantiating the unique character of our city-region, supporting existing and new businesses to thrive, and driving projects which lead to enhanced economic growth. Our vision is for Wellington to be the most prosperous, liveable and vibrant region in Australasia by 2025.

Over the next three years WREDA will work closely with its shareholders, other territorial authorities, agencies of central government and the private sector to build a Wellington which is more famous, has more for people to enjoy, and in which business is enabled to grow on a stronger platform that is injected with innovation and inspiration.

Peter Biggs
Chair

1. Purpose of the SOI

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of the Wellington Regional Economic Development Agency (WREDA) for the next three years, and the objectives to which those activities will contribute. It is written in response to the Wellington Regional Strategy (WRS) Committee's December 2017 Letter of Expectation (refer to Appendix).

2. About WREDA

2.1 Who we are

WREDA is the Wellington region's Economic Development Agency. It is owned by Wellington City Council (WCC) and Greater Wellington Regional Council (GWRC), on behalf of the region. Funding for WREDA activities comes from these two councils, central government, other local and central government agencies and the private sector.

2.2 WREDA's purpose and aim

WREDA is the region's marketing and destination story telling engine promoting Wellington as the most liveable and vibrant region in Australasia, and for establishing a platform for the regions businesses to prosper.

Our aim is to tell and substantiate the Wellington story in a compelling and distinctive way, providing the unifying narrative for the region and a context for all other activity directed towards our ultimate outcomes of vibrancy, liveability and prosperity. We will be New Zealand's best destination marketer, facilitator of a stronger regional economy, accelerator of business start-ups and growth, builder of cross sector support for workforce development, venues manager and curator of a vibrant events programme.

In this document we set out our Key Goals as an organisation – Our areas of activity that drive work to fulfil our vision.

To achieve this aim we will work closely with key partners including councils, government agencies, individual businesses and business organisations, institutions and venue service providers, and ensure that they too understand and support that story. A number of the activities we describe will be carried out through WREDA's subsidiary, Creative HQ

WREDA will work in a collaborative, focussed, innovative, action-oriented, engaging and bold manner. WREDA will empower our people to make good decisions.

2.3 What we do

WREDA's work in 2018-19 will focus on delivering upon a strong and consistent Wellington story, and on specific interventions or actions that can make a significant difference to the Wellington regional economy and are appropriate for a Council Controlled Organisation.

WREDA's work revolves around promoting and marketing Wellington as a destination (for tourists, migrants, students, businesses, and investors) and establishing an environment where all businesses have the opportunity to flourish and innovate.

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The environment we create is made vibrant through our delivery of a number of programmes. These include management of key venues in Wellington city and the attraction of significant international and domestic business and consumer events. WREDA recognises that there are business sectors for which Wellington has, or is becoming, famous. WREDA will prioritise these sectors in driving our economy and the interest that they create in positioning Wellington as region that is more desirable than any other.

WREDA will work with its key stakeholders and partners to expedite the progress of key projects identified by the Wellington Regional Strategy Committee and its Office from the formation of the Wellington Regional Investment Plan. WREDA will take the lead on projects to which it can offer the appropriate resource and skills, especially where these projects are the identification of how the region can leverage major investment projects to get better commercial returns or to further enhance the vibrancy and liveability of the Wellington region.

WREDA considers whether programmes of activity it delivers are appropriate for investment by other private and public organisations and businesses. Where such investment is found it leverages the public investment and creates working partnerships which help WREDA determine the best and most appropriate interventions.

WREDA will build and use its networks to identify ways to enhance its programmes of activity to increase the economic resilience of the Wellington region and contribute to the retention of key businesses and cultural institutions.

WREDA has the role of telling the story of the region and playing a role in projects and activities that make the most impact and substantiate that story by making the region more prosperous, liveable and vibrant.

To take on this role it is proposed that the way WREDA organises its regional economic growth programmes will change:

- WREDA will leverage Creative HQ's proven experience to accelerate the growth and expansion of innovative new businesses, especially in the tech sector and across the breadth of the creative industries including AR/VR.
- The business growth resources of WREDA will be focused on delivering specific projects that contribute in a tangible way to the growth of the regional economy
- Similarly, to establish working groups with employers and education institutions WREDA will employ a project management approach to establish a results led culture that enables decision making to drive capability in workforce development

3. Vision for Wellington

Consistent with the Wellington Regional Strategy, WREDA's vision for Wellington is:

**To be the most prosperous, liveable
and vibrant region in Australasia by 2025**

The vision is deliberately bold. It demands that Wellington exceed expectations, compete in a global context, and become internationally recognised as a leading city-region.

We see Wellington as 'the place of the possible', a destination of choice to visit, study, work, live, invest and succeed.

We will know Wellington has achieved this vision when it:

- Enjoys constant recognition by people in other places as one of the best city-regions in the world to visit, live, learn and do business
- Is growing sustainably;
- Has an outstanding events programme befitting New Zealand's most vibrant city region;
- Is exceptionally connected, both internally and globally;
- Is an acclaimed hub of creativity culture and technology.

In conjunction with the activities of other local and central government agencies, and the private sector, delivering on the activities noted in this Statement of Intent will support progress towards the vision of being the most prosperous, vibrant and liveable region in Australasia.

To achieve this vision not only does Wellington have to demonstrate these characteristics but its reputation needs to be heard far and wide. WREDA plays the critical role in leading the telling of the Wellington story to the world – in making Wellington famous.

4. WREDA's Contribution to the Wellington Regional Strategy

WREDA works towards achieving the goals of the Wellington Regional Strategy (WRS). There are a number of other policies, plans and strategies of local government in the Wellington region with which our work is aligned to further keep the Wellington economy growing.

Wellington Regional Strategy

This Strategy was developed by the nine local authorities in the region, working in tandem with central government and business, education, research and voluntary sector interests. The Strategy, which was created prior to the formation of WREDA, was most recently refreshed in 2012. We will work with relevant stakeholders during this SOI period to further refine the strategy to deliver the greatest value to shareholders and ratepayers.

WREDA activates the WRS in five of its six focus areas:

1. Commercialisation of Innovation
2. Investment mechanisms for Growth
3. Building World Class Infrastructure
4. Attracting Business, Investment and Talent to the region
5. Education and Workforce development to service the regional economy

The WRS aims to build a resilient, diverse economy - which retains and creates jobs (especially high-value jobs), supports the growth of high-value companies and improves the region's position in relation to New Zealand's Gross Domestic Product (GDP) and employment. Taking the stories of Wellington and telling them to a global audience through marketing, storytelling and media activity is an important part of this.

Policy Alignment with Wellington City Council

WREDA also aligns its work with a number of specific policies of Wellington City Council these include its Economic Development Strategy, the Events Policy, the Arts and Culture Strategy and Wellington Towards 2040: Smart Capital.

In particular WREDA activates the policies of Wellington City Council in regards to:

1. Driving the Visitor Economy
2. Developing, growing, attracting and retaining events both in Venues Wellington and across the region

Vibrancy and liveability are crucial to long-term prosperity. WREDA manages several Wellington City Council civic venues and runs the major events attraction programme, both of which play an important role in making Wellington a better place to live and visit. Our work in attracting tourists and the development of the visitor economy also contribute to this.

In 2018-19 WREDA will work in partnership with the Wellington Regional Strategy Office and territorial authorities to develop a growth plan for the region detailing a ten year investment plan designed to fulfil the capability and infrastructure needs of the region to meet the goals of the WRS.

5. WREDA's Key Goals

In the latter part of 2017 WREDA categorised its activities as the 'Big 6' so that stakeholders with whom WREDA works were better able to understand its activity relative to that of the previous organisations which were amalgamated under the WREDA banner. All these activities inter-relate and some areas of work such as partnering with Maori and growing the tourism economy cut across all the areas of work defined in the *Big 6*.

The *Big 6* also served the internal purpose of focussing WREDA team members by challenging their activation of work in asking the question of any initiative. The initiatives the WREDA team and partnerships now activate will supercharge Wellington's events, pump NZ's creative heart, accelerate the big projects, talk up tech, sell student city, or ramp up business growth.

The traction that WREDA gained late in 2017 through applying this far more focussed action framework will propel WREDA further forward as it pursues its *Key Goals* in the year ahead. To achieve these goals WREDA will continue to assess its placement of resources and as required move them to deliver increased impact on the economic vitality of the Wellington region.

WREDA has identified its key goals for the period of this Statement of Intent which together work towards achieving this vision for Wellington towards which its programmes and interventions contribute:

- Promote the region's brand and identity and tell Wellington's stories that will:
 - a. Grow the visitor economy
 - b. Attract and retain business, skill and talent in the region
 - c. Attract an increased number of students to the region
- Grow and expand innovative new businesses, especially in the creative and tech sectors
- Be a partner in the Maori Economy
- Work with others to leverage opportunities from new investment in the region
- Build workforce and employer capability
- Deliver an unrivalled business, consumer and major events programme
- Utilise the management of Wellington City venues to make Wellington more vibrant and deliver an outstanding customer experience.

These key goals inform the development of programmes of activity for WREDA to which the board will attach specific success measures (KPIs) to ensure effective measurement and tracking of delivery. The KPIs

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are selected to be consistent with improved prosperity, liveability and vibrancy and achievement of them will demonstrate progress towards the vision. Wider regional economic indicators, which are impacted by a range of factors outside of WREDA's direct control, will also be monitored.

The full performance measurement framework is articulated in the remainder of the SOI.

6. Key Activities and Programmes

The Wellington Regional Strategy Focus Area, Wellington City Council Policy and WREDA Goal Matrix

	Commercialisation of Innovation	Investment mechanisms for Growth	Building World Class Infrastructure	Attracting Business, Investment and Talent to the region	Education and Workforce development to service the regional economy	Driving the Visitor Economy	Develop, growing, attracting and retaining events both in Venues Wellington and across the region
Promote the regions brand and identity				✓		✓	✓
Grow the Visitor Economy			✓	✓		✓	✓
Attract and retain business, skill and talent in the region				✓	✓	✓	
Attract an increased number of students to the region				✓	✓	✓	✓
Grow and expand innovative new businesses especially in the creative and tech sectors	✓	✓		✓	✓	✓	✓
Be a partner in the Maori Economy	✓	✓	✓		✓	✓	✓
Work with others to leverage opportunities from new investment in the region	✓	✓	✓	✓		✓	✓
Build workforce and employer capability		✓		✓	✓	✓	✓
Deliver an unrivalled business, consumer and major events programme	✓		✓	✓	✓	✓	✓

7. Programme of Activity Description Table

The following section lists and describes these programmes of activity. The WREDA Business Plan which describes the planned activity programmes of the various parts of WREDA provides additional detail upon the activities within these programmes.

7.1 Promote the region's brand and identity

Programme	Description
<i>WREDA as the region's marketing and destination story telling engine - Making the Wellington region famous</i>	
Leverage Digital Platform	Maintain and enhance WellingtonNZ.com and the Venues Wellington website experience to grow Wellington's digital audience and continually provide new content that will provoke digital visitors to visit, study, meet, invest and move to Wellington. Provide website platform for utilisation by other organisations / districts etc. to further leverage the investment made in WellingtonNZ.com
Drive Media Programme	Pro-actively generate media coverage highlighting Wellington's economic success stories and data releases to enhance the reputation of Wellington as a place of innovation, a place to visit, do business and to enjoy life. Deliver a multi-sector media programme that utilises third party writers/journalists/bloggers to showcase and promote Wellington in target geographical locations and business sectors. Continue to work in partnership with central government agencies (Tourism NZ, Immigration NZ, NZTE, ENZ etc.) to drive content to media in wider international markets. Position Wellington as a global leader of GovTech and the place where other jurisdictions come to innovate using Lightning Lab GovTech which provides an experimentation environment for new ideas in public sector administration.
Enable Arts Capitalisation	Through our investments in the events fund, management of the major Venues, and engagement with the Arts and creative sectors we will collaborate to enhance business/producer capability and refocus Wellington's creative brand reputation.
Grow the visitor/tourism economy	
Australasian Visitor / Tourism Marketing Campaigns	Deliver targeted seasonal domestic marketing campaigns in partnership with Wellington commercial partners to increase visitation at quieter times of year, for instance by promoting event programmes. Execute Australia market visitor campaign in air-linked Australian cities with city, air sector and regional partners including Tourism New Zealand, Air New Zealand and Singapore Airlines. Provide marketing support to Major events such as World of Wearable Arts and Visa Wellington On a Plate. Represent Wellington in international visitor markets through participation in Tourism New

	Zealand-led international trade familiarisation and media programmes.
Long Haul Visitor / Tourism trade marketing activity	Work with tourism industry partners to deliver increased international visitor numbers from target markets across the world through travel-trade programmes in coordination with the activities of Tourism New Zealand. Specifically increase activity in China to increase Wellington's market share of Chinese visitors to New Zealand.
Enable Regional Promotion Through Events	Promote events happening in the city, region and in Venues Wellington to highlight the wealth of different experiences to be had by visitors to and residents in the region. Secure event product that reflects Wellington's creative and arts interest and that leverages the visitation of international artists and talent through supporting media and promotional programmes. Work with visitor attractions, for example Te Papa, to promote visitation at otherwise quieter times of the year. Provide promotional support to conferences happening in Wellington to increase delegate numbers particularly in targeted sectors for growth in Wellington such as the tech sector.
i-SITE Visitor Information Centre	Enhance the visitor experience in Wellington through operation of the Wellington i-SITE Visitor Information Centre. Promote and sell Wellington tourism product and support cruise passenger management. Redevelop the interior of the MFC i-SITE location to integrate regional story telling into the visitor experience
Attract and retain business, skill and talent in the region	
Drive Media Programme	Pro-actively generate media coverage highlighting Wellington's Tech sector success stories to enhance the reputation of Wellington as a place to do business and to enjoy life. This work will maximise the exposure of Wellington's AR/VR and AI sectors as being world leading. Utilise third party writers/journalists/bloggers to showcase and promote Wellington's Tech sector in target geographical locations and audiences.
Talent Attraction	Deliver marketing and PR campaigns in key domestic and international markets to attract target-sector, skilled migrant talent to the Wellington region, particularly in the tech, screen and creative sectors. WREDA will partner with the Edmund Hillary Fellowship and Immigration New Zealand to attract Global Investment Visa applicants to locate in the Wellington region.
TechWeek	We will be a Partner City to NZ Tech to drive exposure and interest in tech in Wellington and help position the region as a leading tech centre through continued participation in TechWeek.
Attract increased number of students to the region	
International Education agent partnerships	WREDA will work with international student recruitment agencies, promoting the regions education establishments through events and familiarisations of the region in conjunction with Education New Zealand.
Marketing to prospective students	WREDA's marketing team will work with education providers to position Wellington as the most attractive student region in New Zealand through marketing campaigns.

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7.2 Grow and expand innovative new businesses especially in the creative and tech sectors

Programme	Description
<i>Creative HQ leading the way in innovation, start-ups, acceleration and scale-ups.</i>	
Business Start-ups, Incubation and Scale-ups.	<p>Through Creative HQ we will deliver incubation services for start-ups and scale-ups in the Wellington region whilst also establishing Creative HQ's incubation platform ('Scale') as the de-facto standard in New Zealand across other regions.</p> <p>Through this activity we will increase the number of ventures utilising the platform in order to move those companies to graduate to investable status. Creative HQ's extensive alumni will be continue to be worked with to promote their growth and development.</p>
	<p>Our Community Engagement initiatives through Creative HQ will focus on building on the strong foundation of community based programmes we have established and developed over the last three years. Key initiatives in this area include:</p> <ul style="list-style-type: none"> • Growing the community platform "Start-up Garage" to 3500+ members • Delivering a hackathon in Wellington that will contribute to the city's positioning of being New Zealand's innovative and creative capital <p>We will deliver a structured innovation programme for Wellington's creative sector that focuses on helping develop business skills, commercial propositions and value creation for the small to medium sized businesses in this sector</p>
	<p>We will deliver a new digital interface – for businesses, innovators and entrepreneurs in the Wellington Region to be able to access the services that are provided by Creative HQ, the Regional Business Partner Programme and business development professionals across the Wellington region. This will target those business that are looking to grow through innovation, scaling and a broadening of IP.</p>
Business Growth Acceleration	<p>Through Creative HQ we will deliver industry-specific acceleration programmes through our Lightning Lab brand.</p> <p>In particular the focus for FY2018-19 will be on GovTech, FinTech, Food/AgriTech and exponential technologies such as artificial intelligence, mixed realities and autonomous transport.</p> <p>GovTech – public sector innovation through structured programmes and the use of 21st century methodologies and technologies – provides Wellington with an excellent opportunity to lead this exciting new industry vertical globally. New Zealand has an excellent international reputation and is seen as progressive, neutral, innovative and stable – for the development of new approaches and government services using new technologies and a focus on human centred design.</p> <p>In addition, Creative HQ will also focus on increasing diversity and inclusiveness in our programmes, delivering wider social impact with the continued roll out of programmes such as Kōkiri – the acceleration programme for Māori entrepreneurs and Venture Up – the youth entrepreneurship acceleration programme.</p>
Creative industries	<p>Through Creative HQ we will work directly with 'ProjectR' and the AR / VR companies they house to accelerate those companies growth and further generation of start-ups in this sector</p>

7.3 Be a partner in the Maori Economy

Programme	Description
Working in partnership with Maori to maximise the potential of the Maori economy in the Wellington region	
Developing a regional Maori Economic Development strategy with Maori	In partnership with Ara Tahi and GWRC work towards the development and implementation a regional Maori Economic Development strategy. This will include gaining a full understanding of the regional Maori economy, identifying resource and capability needs and developing action plans to support the growth of the Maori economy of the region.
Māori Economic Growth Initiatives	As an outcome of the development of a regional Maori Economic Development Strategy work with partners as prescribed to partner in the delivery of Māori Economic Growth initiatives supporting interventions that will foster Māori entrepreneurship and develop capability and capacity to grow the businesses and the Māori economy.
Creating commercial opportunity through the development of Maori tourism opportunity	Work with Tangata Whenua to support their telling of the stories of the Wellington region through both established and nascent tourism ventures. Provide support for Māori tourism businesses from market intelligence and start-up advice.
Maximising the business and cultural opportunity provided through events	WREDA, in partnership with Mana Whenua and Maori business, will leverage Te Matatini 2019 to maximise economic opportunities for Wellington and showcase Wellington's Māori identity. Activity will celebrate and showcase Māori culture and innovation and provide a vehicle to leverage Māori business and investment opportunities.

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7.4 Work with others to leverage opportunities from new investment in the region

Programme	Description
<i>WREDA working with the Wellington Regional Investment Programme to leverage other public investment projects</i>	
Screen Wellington	Work with the NZ Film Commission and other regional film offices around New Zealand to bring forward the decisions made to shoot films in Wellington, facilitated by film permitting services of Screen Wellington. Be the on-the-ground support for those looking to choose to make films in the Wellington region. We will work with the screen sector to identify their infrastructure needs in the region.
Student experience	The tertiary education institutions in Wellington invest significantly in improving the student experience of Wellington WREDA will work with these organisations to support initiatives of theirs.
Visitor Infrastructure	Work in partnership with stakeholders and investors in the forwarding of planning for and delivery of a variety of major visitor / venue infrastructure projects: <ul style="list-style-type: none"> • Movie Museum and Convention Centre – develop internal planning of Convention Centre ready for build. • Entertainment Arena – Continue investigation into business case for development with consideration of future demands for entertainment venues across the region • Civic Music Hub and Wellington Town Hall auditorium – continued work with investment partners of the reopening, management and promotion of the Town Hall auditorium for event. • Hotel development in Wellington and sub-regional centres
Trails framework	Deliver the implementation programme of the Wellington Regional Trails Framework
Policy Advocacy	By forming coalitions of interest and employing compelling arguments, we will influence central government policy formation through working with other regions and representative groups for the betterment of Wellington in areas that directly affect the programmes of activity we work on.
Local / Central Government engagement	WREDA will as appropriate work with the Wellington Regional Strategy Office to identify the ways in which the region can access the new Provincial Growth Fund for projects which will boost the Wellington region economy. WREDA will work with local authorities and the Regional Council as appropriate to identify the projects which meet the necessary criteria.
Partnering the Wellington Regional Investment Plan	WREDA will be a partner to the Wellington Regional Strategy Office and the Councils of the region in the establishment of the Wellington Regional Investment Plan (WRIP) WREDA will with other participants identify projects that it can lead that will derive benefit to both the region as a whole and individual communities within the region. Frequently these projects are likely to involve investigating and reporting to the effected parties about the opportunities that new major investment in projects identified by the WRIP could lead to, and then securing public/private sector funding to deliver such opportunities as appropriate. WREDA's role as facilitator and advocate means that is unlikely to be the lead in major capital projects but can WREDA can play an important role in advocacy for telling the story of the opportunities that will assist in accelerating major projects including roading and rail, port redevelopment, airport extension and resultant land use opportunities.

	<p>The leveraging projects we work on may be considered to work under the thematic sub-heading Economic Development identified by the WRIP – Making the most of comparative advantage, new opportunities opened up by improved transport connectivity, and leveraging place-making initiatives for the region.</p> <p>Examples of projects that may be considered for work in this stream include:</p> <ul style="list-style-type: none"> · Establishing a region-wide understanding of the audiences that will use sport / performance / entertainment facilities in the future to support investment making decisions. · Utilize the Technology Valley initiative to prompt increased direct correlation between the domiciling of CRI's such as ESR and Callaghan in the Wellington region and the development of the sub-sectors and disciplines they represent such as the commercialization of Artificial Intelligence concepts. Leverage Creative HQ's operation of 1st Assembly as a springboard to building networks which support the Tech Valley concept · Establish the relationships and process for delivering on the business case to establish a high performance sports campus and other complementary activities on the former site of CIT · Support the consenting process for the Porirua Adventure Park. Upon consent work with the investor and Porirua to develop promotional plans. Explore how the Adventure Park can be a catalyst for other initiatives made possible by Porirua's improved connectivity provided by the Wellington Northern Gateway motorway development · Establish what type of inward investment might be attracted through commercial development that leverages accessibility provided by the new Wellington Northern Gateway Motorway. · Detail what type of new business opportunities and investment can be attracted by the delivery of an improved rail link between the Wellington urban region and Wairarapa. · Provide expertise to individual territorial authorities to assist them in designing their own visitor promotion, tourism product and tourism infrastructure needs. This work will inform WREDA's wider regional marketing activities.
Incentives for commercial investment	<p>WREDA will deliver a report to examine the role of local government incentive schemes and their place and success or otherwise in growing business investment in other jurisdictions similar to the Wellington region</p>

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7.5 Build workforce and employer capability

Programme	Description
<i>Bringing individual and business learning and working together to create opportunity for residents of the region</i>	
Regional Business Partner Programme	<p>Deliver the third year of the contract with NZTE and Callaghan Innovation to provide business support, innovation vouchers and growth vouchers for over 400 businesses across the region.</p> <p>WREDA will use the delivery of the RBP programme alongside its activity in Creative HQ to maintain a network of entrepreneurial that can be used as:</p> <ul style="list-style-type: none"> • A reference point for business sector health across the region • A bank of case studies for promotion of region and sector beyond Wellington • A channel for engaging in local economy issues in different communities • A reference point for the requirements of workforce development across sectors and parts of the region <p>The current contract for provision of the RBP programme finishes June 2019. WREDA will negotiate with NZTE and Callaghan Innovation about the future requirements for such schemes in our region.</p>
Co-worker space in sub-regional centres	Establish the business case for, and work with the sub regional business districts and specific industry sectors as appropriate to provide co-worker spaces in such locations and the delivery of activations that will enhance small-medium enterprise business growth.
Employment Pathways	
Regional Young Enterprise Scheme support	WREDA will support and fund the delivery of the Young Enterprise Scheme across the region. WREDA will look to opportunities to support the entrepreneurship of college students who focus their initiatives on solutions that reflect the important sectors in our region's economy. These might include supporting science, technology, engineering, and math (STEM) enterprise projects or creating a mentorship program for high school students to promote enterprise in the creative and visitor economies.
Internship programmes	To provide employment pathways for students we will continue to work with Summer of Tech as a partner and establish a mechanism to grow the number of interns across the region significantly from its current base of c. 200 pa. This will include development of a scholarship programme that looks to provide Maori students from the Wellington region with the opportunity to pursue careers in the Tech sector
Career Resource Centre	<p>Working with employers and the education sector, build – using the WellingtonNZ platform – an online Career Resource solution for Wellington region residents that provides information about:</p> <ul style="list-style-type: none"> • Academic opportunities • Vocational opportunities • Workplace training • Finding mentors • Connecting businesses to interns • Today's work opportunities

Labour Market Plan	WREDA will partner with the WRS office to deliver a completed Labour Market Plan for the Wellington region. To do this WREDA will need to work with local businesses, tertiary education organisations and industry training organisations to identify the changing workforce requirements of the region. The author of this report will be the WRS office
Curriculum development to support the Labour Market Plan	WREDA will partner with local businesses, tertiary education organisations and industry training organisations to stimulate the creation of tailored programmes in the curriculum that prepares students for jobs in high-priority industries including technology, creative and construction sectors. Specifically WREDA will work with Education NZ, the creative sector and tertiary institutions to ensure that Wellington's reputation as a place to learn is especially applied to the creative sector, especially in relation to the screen sector.

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7.6 Deliver an unrivalled business, consumer and major events programme

Programme	Description
<i>Investment in support of events to create vibrancy in Wellington and a liveable city for Wellingtonians. Managing the 'Venues Wellington' portfolio of venues to build business and the arts whilst providing memorable experiences for residents of the region and visitors</i>	
Conduct Major Events Programme	Effectively manage the investment in Wellington's major events programme, including leveraging the investment in events to market and promote Wellington and attract visitors to the region.
Manage Venues	Manage portfolio of Wellington City major venues, maximising utilisation rate, sellable days, client satisfaction, audience numbers and spend-per-attendee. Develop event programme that contributes to talent, business and visitor attraction priorities. Support Wellington arts and cultural organisations through prioritising opportunities for major hirers such as NZSO and World of Wearable Art, and the performance of new New Zealand content through preferential pricing for targeted local organisations.
Alternative Venue opportunities	WREDA will work with building and land owners to consider the provision of alternative venues and use of alternative event locations to help offset the necessary closure of venues for strengthening work.
Leverage Major Events	Leverage investment in major events to develop trade, tourism, education, investment and visitor opportunities using major events both in Wellington and overseas.
Performance Events	Work with promoters to secure new performance event product with a particular emphasis on content that appeals to a student and millennial audience.
Business Events Wellington	Deliver marketing and convention bureau support for the region and commercial partners to increase business event bookings in Wellington, sustaining market share for Wellington through high utilisation of public and private sector venues. Use business events to address seasonality in the visitor economy, and to support growth of Wellington's key sectors. Partner with Tourism New Zealand to attract international events to Wellington. Encourage the utilisation of international business events as a platform for organisations in the region to tell their story from an indigenous culture perspective. Increased partnership with tertiary institutions and academic staff to secure conferences, which will benefit the standings of the universities and academics.
Major Events Portfolio Development	WREDA constantly reviews the Major Events portfolio, and works with the industry to identify and secure new events, and lead the ongoing development of the Major Events portfolio to attract visitors to Wellington and making it a more attractive place to live. The events WREDA seeks to bring to and grow in Wellington are ones that activate the city, bring broader regional opportunities and ones that support the creative and supporting sector.
World of Wearable Arts	Utilise the occasion of WOW's 30th anniversary to partner with WOW and Wellington City Council to bolster activity and experience for audiences and residents this year and in the future.

8. Internal Management

8.1 Insights and Analysis

WREDA will maintain an in-depth knowledge and understanding of the Wellington economy, how it is evolving and what is driving it which will help it determine which areas of its business to allocate resources. It will provide reports to stakeholders, keeping them informed of trends and how WREDA is responding to them.

8.2 Revenue Sources

WREDA receives funding from shareholding councils in the form of operating contributions as well as additional payments for contractual services delivered. It also receives funding from commercial and government partners for a range of activities where the benefits lie jointly across them and the economy as a whole.

As well as reducing the demands on scarce council funds, the latter sources provide valuable sector involvement, partnership and scrutiny. This ensures the work we do is relevant to and supported by identified key sectors.

WREDA's approach to business is founded upon carrying out activities in partnership with others.

Our partners include other parts of local and central government institutions and organisations, individual businesses, business collectives, event owners and event promoters. By working in partnership with others we test the appropriateness of our ideas and leverage the investment being made to grow the economy of the Wellington region.

WREDA secures significant partner funding each year from a variety of business and public sector organisations partners. Their investment in our activities is often monetary but can also be in-kind, or aligned investment. WREDA has now examined all its current streams of work to identify gaps in the co-investment portfolio such that new investing partner opportunities can be identified, sought and secured.

In this way WREDA will be always look to grow its external revenue and look to secure private and other non-local government public investment in its initiatives and activities. The partnership of others not only provides funding to leverage the investment by the local rate payer but also confirms that the activities we carry out are consistent with the expectations of the communities we look to serve. These partnerships will enable us to deliver better outcomes without significantly increasing the rate-funding requirement.

To maintain existing partnership investments and to build new ones, it is critical for WREDA to manage its broad portfolio of partners effectively. WREDA will use planned engagement schedules to ensure that investing partners are kept informed of our activities and that their views and aspirations are able to influence our decision-making processes.

WREDA considers the activation of and funding for new projects by considering what partners will co-invest in our activity and how such projects leverage our shareholders core funding of the organisation.

8.3 Finding Efficiencies

In keeping with best management practice, WREDA continually aims to operate efficiently and effectively.

WREDA has now moved beyond its merger activities and has systems, processes that are organisation wide. In 2017-18 the functions of finance, human resources, health and safety, IT, marketing, digital asset management, sales and partnership development have all been centralised.

Monetary savings that will be found from these efficiencies, as well as new, will be redeployed within WREDA and allocated to existing or new programmes of activity consistent with our goals of growing Wellington's economy.

8.4 Health and Safety

WREDA is very aware of the importance of Health and Safety for its employees, partners, those we host, and venue patrons. As such WREDA will ensure it meets its obligations with respect to New Zealand laws and regulations and will undertake an annual review based on established best practice guidelines. WREDA aims to provide a workplace that not only meets requirements but one that is operating by best practise. We aim to enable employees to thrive through excellence in all areas, including health and safety.

Through our venues management agreement with WCC, WREDA will, along with WCC ensure that Health and Safety requirements are fully considered as part of asset management.

WREDA operates a two level approach to management of Health and Safety in its operation. The Venues Wellington business unit considers its provision of a healthy and safe environment for employees and patrons with its own management and employee committee. The Venues Wellington Health and Safety process and activity progress is independently reviewed by an external professional on an annual basis.

This work is then fed into the senior management consideration of Health and Safety in the workplace which reports through to the WREDA Board. WREDA also maintains a number of key organisation relationships with whom regular two-way meetings are held to learn and share best practise.

WREDA will report on its Health and Safety in the work place activities in its quarterly reporting process to its shareholders.

8.5 Human Resources

Our people are our greatest asset – we say it often and with good reason. It is only with the dedication and determination of our people that we can generate long-term value for our stakeholders and make a positive contribution to the communities that we serve.

At the core of our efforts is a focus on cultivating and sustaining a diverse workforce, which is critical to meeting the unique needs of the diverse projects and communities we operate within.

We will aim to ensure that in every step of our employee's time with us, that we will invest in them and ensure their interests remain focused on the goals we set and that they remain aligned to our wider stakeholders. Our goal is to maximise individual potential, increase our effectiveness, develop and reinforce our culture and expand our people's professional opportunities so that they contribute positively.

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9. Performance Measures

WREDA's performance measure framework identifies quantifiable measures of our programmes and activities as well as a number of key indicators tightly aligned to our objectives. These form the basis of our accountability and will be reported on quarterly.

At a business planning level, qualitative as well as quantitative measures will be used to assess the delivery and effectiveness of the full range of WREDA activity.

Key Goals		Measure	2017/18 (forecast)	2018/19	2019/20	2020/21
Promote the region's brand and identity and tell Wellington's stories	Media programmes to boost the reputation of the Wellington region	Lifestyle and visitor attraction content in NZ, Australian media	500	500	500	500
		Work, do business, invest content in local NZ and Australian media	85	85	85	85
Grow the visitor economy	Marketing to the Visitor sector locally and internationally	Total commercial guest nights	3.3m	3.3m	3.35m	3.4m
		Visitor spend: Total	\$2600m	\$2.6b	\$2.8b	\$3.05b
		International	\$860m	\$890m	\$950m	\$1005m
		(of which from Australia)	\$240m	\$250m	\$260m	\$270m
		(of which from China)	\$79m	\$85m	\$90m	\$95m
		Domestic	\$1700	\$1.7b	\$1.75b	\$1.85b
Attract and retain business, skill and talent in the region	Marketing to attract talent to move to the Wellington region	Australian arrivals via Wellington Airport	152.9K	154.9k	155.7k	158.1k
		Net permanent and long-term arrivals	3,500	3,600	3,700	3,800
Attract an increased number of students to the region	Marketing to the Student sector locally and internationally	International student enrolments	8,500	9,000 (+5.8%)	9,500 (+5.5%)	10,200 (+7.3%)
		Market share of all students enrolled in tertiary education in New Zealand	6%	7%	7%	7.5%
Grow and expand innovative new businesses, especially in the creative and tech sectors	Creative HQ leading the way in innovation, start-ups, acceleration and scale-ups.	No. of Wellington start-up ventures and early stage businesses on the CHQ Platform	20	25	40	60
		No of acceleration programmes (Lightning Lab and Venture Up)	2	2	2	2
		No. of members in "Start-up Garage"	3000	3000	4000	5000
		No. of companies becoming investable	N/a	5	10	15
		Deliver LL GovTech	N/a	8	10	12

		programme with # of teams / agencies participating				
		Generate income from Creative HQ's innovation services	\$2.5m	\$3.8m	\$6.25m	\$8.25m
Be a partner in the Maori Economy	Establishing a working relationship with Mana Whenua and Māori business in the Wellington region	Mana Whenua satisfaction score with engagement	75%	80%	85%	90%
		Deliver specific initiatives and projects in partnership with Māori business	2	3	3	3
Facilitate the leveraging of the opportunities from new investment in the region	Screen Wellington	Number of permits for film production issued	380	400	420	440
		Value of facilitated screen production	\$100m	\$100m	\$105m	\$110m
	Visitor Infrastructure	WREDA will have activated plans in place for the delivery of visitor infrastructure projects reflecting their advancement by investing stakeholders	No	Yes	Yes	Yes
	Trails framework	Working reports of the Trails Framework Specialist will show active plan against every action item	20%	50%	75%	100%
	Partnering the Wellington Regional Investment Plan	Satisfaction level of identified project partners	0	75%	75%	75%
		WREDA will lead sub-projects of projects that are identified by the WRIP	0	5	6	8
		Quarterly report provided noting activity on WREDA WRIP leveraging projects	No	Yes	Yes	Yes
	Regional Business Partner Programme	Number of actively supported businesses ¹	445	445	445	445
Build workforce and employer capability	Development and delivery of a Labour Market plan for the region	Wellington regional Labour Market Plan completed with WRS office	No	Yes	Yes	Yes
		Students supported in youth entrepreneurship programmes	300	300	300	300

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		Interns placed in priority sectors	200	225	250	300
Deliver an unrivalled business, consumer and major events programme	Business Events Wellington and Wellington Major Events	ROI via out of Wellington spend	20:1	20:1	20:1	20:1
		Economic value of major events invested in.	\$80m	\$80m	\$80m	\$90m
		Total event attendance	600,000	700,000	700,000	700,000
		NZ market share multi-day conferences	20%	20%	18%	16% ²
		Number of international business event bids submitted and/or supported in FY	40	35	35	35
		Value of business events (international and domestic) secured in FY	\$25m	\$25m	\$25m	\$25m
Utilise the management of Wellington City venues to make Wellington more vibrant and deliver an outstanding customer experience.	Venues Wellington	Value of expenditure by out of town venue attendees	\$46.5m	\$35.9m	\$42.7m	\$48.7m
		Advance the Cultural well-being of Wellington – Number of Wellingtonians attending performance events at Venues Wellington	308,904	230,720	265,465	310,800
		Number of Events: Total	621	480	570	650
		Performance	324	220	280	340
		Conference	297	260	290	310
WREDA in action	Partner / Stakeholder Engagement	Partner/Stakeholder satisfaction score with engagement	75%	80%	85%	90%

10. Risk and Mitigation

We have identified a number of risks to WREDA achieving these KPIs. These are listed below together with how we intend to mitigate each of them.

Area of Risk	Risk Description	Mitigation
Availability of partner funding	Partner funding is provided to a number of WREDA's programmes of activities. This funding is dependent upon several factors such as affordability, a return made on the investment made, and alignment of activity with partner goals.	<ul style="list-style-type: none"> • Maintain a regular schedule of meeting with and reporting to commercial partners • Engage partners in planning sessions to ensure programmes meet their expectations • Understand what is happening in the business market of individual partnership groups so that their concerns can be anticipated.
External impacts on Wellington's reputation	As the key external marketing and messaging agent for the Wellington region around the globe the impact of natural and man-made circumstances can be significant. WREDA needs appropriate plans to mitigate these impacts in all circumstances.	<ul style="list-style-type: none"> • Focus on telling the Wellington story with facts to support and emphasising its strengths and diversity. • Have a tone of voice in communications that highlights the positives of living in a dynamic environment • Use personal stories of Wellingtonians to bring authenticity to storytelling / messaging
Rise of competing cities	City-Regions around the world compete with Wellington for visitors, students, migrants, investors. Representing a small and for most part distant city WREDA needs to make sure its interventions are targeted	<ul style="list-style-type: none"> • All activity must fit within parameters of Statement of Intent and Business Plan intention. • Each business unit is responsible for regularly working through its activity programme with sector support to determine priority.
Changing international geo-political climate	Wellington is not isolated from global factors that will affect the prosperity of Wellingtonians. WREDA must be ready to adapt its work to changing circumstances.	<ul style="list-style-type: none"> • WREDA will always use messaging on the constant positives of Wellington relative to other places such as safety, environment and economic/political stability. • If economic factors change, such as exchange rate movements WREDA will consider the impact of such changes on the outcomes of its activities and changes programmes when required. • Where political changes happen elsewhere WREDA will look to maximise the opportunity for Wellington by changing programme activity to increase the awareness of Wellington as a good place to live and invest.
Imbalanced project delivery focus	WREDA is involved in the development of various infrastructure projects across the region. WREDA needs to ensure that its work outcomes are sufficiently broad based not to depend on individual project outcomes	<ul style="list-style-type: none"> • WREDA employees will keep abreast of major initiatives in the region so that different opportunities are understood and leveraging programmes are considered • WREDA corporate communications will focus on a spread of initiatives boosting the region rather than being focused on individual projects.

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Venue Availability	To allow seismic strengthening at the St James Theatre, the theatre will need to close for 14-15 months from March 2018.	<ul style="list-style-type: none"> • WREDA will work with organisations that utilise the St James theatre to facilitate their relocation of activity to the Opera House and Michael Fowler Centre. • WREDA will work with other Venues in Wellington city and across the region to accommodate increased usage during the period of closure and restricted use of the MFC whilst strengthening works are underway at the Wellington Town Hall.
Maintaining working relationships across the Wellington region	As an organisation that is invested in and works for the whole Wellington region it is critical that WREDA maintains processes which continually meet the needs of the whole region at a local level	<ul style="list-style-type: none"> • WREDA will work with both its shareholders and the other Councils in a structured manner such that both elected officials and employees of these organisations are well informed of WREDA's programme of activities at all times • WREDA will participate in work groups and meetings across the Wellington region to support economic development activity. • Where appropriate WREDA will provide expertise it houses to support project development by individual councils or groups of councils in the region
Shrinkage of key sectors	Over time different sectors gather more prominence in their growth within the regional economy. WREDA needs to retain a balanced sectoral portfolio to sustain a mixed economy in the region	<ul style="list-style-type: none"> • WREDA works with the private sector to understand the changing dynamics of sector growth in the Wellington region. Where appropriate WREDA will change, or alter its programmes to reflect the changing needs and opportunities of the region. • WREDA will through its annual Statement of Intent and Business Planning process identify to shareholder's changes in programmes as a result of changing sectoral priorities

Appendices

- 1) Appendix 1 – Letter of Expectations
- 2) Appendix 2 - Governance and Accounting

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Appendix 1 – Letter of Expectations

12 December 2017

Peter Biggs
Chair
Wellington Regional Economic Development Agency

Email Peter Biggs: pbiggs@assignmentgroup.com

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 its 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. Self Student City
6. Ramp up Business Growth

The Committee agreed at its meeting on 21 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 that 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 as 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, 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 region's 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 its 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 Statement of Intent should reflect a strong focus on efficiency in delivering activities and the cost of delivery. WREDA is expected to take every opportunity to use 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 use 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 and expected outcomes with clear and measurable KPIs. 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 its compliance with the relevant Health and Safety legislation and is expected to meet best practice governance standards.

Yours sincerely



Justin Lester

Chair

Wellington Regional Strategy Committee

cc Derek Fry derek.fry@wellingtonnz.com

Appendix 2 - Governance and Accounting

WREDA is a not for profit council controlled organisation as defined by the Local Government Act 2002. WREDA is owned 80% by the Wellington City Council and 20% by the Greater Wellington Regional Council.

Governance Board

The Board is responsible for the strategic direction of WREDA's activities. The Board guides and monitors the business and affairs of WREDA, in accordance with the Companies Act 1993 and the Local Government Act 2002, the Company's constitutions and this Statement of Intent.

All current Board directors are independent and appointed by our shareholders. the Board will meet on a regular basis. The Board will have 2 sub-committees, Risk and Audit; and People & Culture.

Dividend policy

It is unlikely that WREDA will deliver a financial dividend to its Shareholders, due to it being deemed a not for profit council controlled organisation.

Wellington Regional Strategy Committee (WRSC)

The WRSC is made up of ten local body elected members.

The role of the WRSC is to:

- Review the performance of WREDA and the Board, and report to the Shareholders on that performance on a periodic basis,
- Make recommendations to Shareholders as to the appointment, removal and replacement of directors;
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.

The Board aims to ensure that the WRSC and the Shareholders are informed of all major developments affecting WREDA's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public. WREDA will adhere to a 'no surprises' approach in its dealings with its Shareholders and WRSC.

Reporting

By 1 March in each year WREDA will deliver to the Shareholders its draft **Statement of Intent** for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64 (1) of the Local Government Act 2002.

Having considered any comments from the WRSC received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

By 31 October and 30 April each year, WREDA will provide to the Shareholders a **quarterly report**. The quarterly report will include WREDA's commentary on operations for the relevant quarter and a comparison of WREDA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.

By the end of February each year, WREDA will provide to the Shareholders a **Half Yearly Report** complying with Section 66 of the Local Government Act 2002.

By the end of September each year, WREDA will provide to the Shareholders an **Annual Report** on the organisations operations during the year. This will include audited financial statements in accordance with generally accepted accounting practices and NZ International Financial Reporting Standards. The Annual report shall also contain an Auditor's report on both those financial statements and the performance targets and other measures by which performance was judged in relation to that organisation's objectives.

Acquisition/Divestment Policy

Any subscription, purchase of acquisition by WREDA of shares in a company or organisation will require Shareholder approval, other than those shares received in return for providing mentoring services.

Commercial value of Shareholder's investment

WREDA will seek to achieve the outcomes as set by the WRSC and its Shareholders from time to time.

WREDA's share capital is represented by \$1,000 fully paid shares.

Shareholder's funds at 30 June 2017 was \$2.4m, this is considered by the Board to be the current commercial value of WREDA.

Accounting Policies

WREDA has adopted accounting policies that are in accordance with the NZ International Financial Reporting Standards and generally accepted accounting practice. The detailed policies are as disclosed in WREDA's 2016/2017 Annual Report.

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Financial Forecasts

STATEMENT OF FINANCIAL PERFORMANCE				
	2018/19	2019/20	2020/21	
REVENUE				
Revenue from Shareholders	21,285,675	21,371,527	21,459,096	
Other Revenue	9,406,092	10,346,701	11,287,310	
TOTAL REVENUE	30,691,767	31,718,228	32,746,406	
EXPENDITURE				
Cost of Goods Sold in iSITE	1,900,000	2,090,000	2,299,000	
Personnel Costs	11,749,583	12,043,322	12,344,405	
Investment in Projects and Events	14,510,619	15,300,624	16,041,273	
Other Expenditure	2,472,825	2,225,543	2,002,988	
TOTAL EXPENDITURE	30,633,027	31,659,488	32,687,666	
SURPLUS	58,740	58,740	58,740	

STATEMENT OF FINANCIAL POSITION				
	2018/19	2019/20	2020/21	
SHAREHOLDER FUNDS	2,064,056	2,122,796	2,181,536	
ASSETS				
Current Assets	3,714,056	3,947,796	4,181,536	
Investments	1,500,000	1,500,000	1,500,000	
Fixed Assets	350,000	375,000	400,000	
TOTAL ASSETS	5,564,056	5,822,796	6,081,536	
CURRENT LIABILITIES	3,500,000	3,700,000	3,900,000	
NET ASSETS	2,064,056	2,122,796	2,181,536	

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STATEMENT OF CASHFLOWS								
				2018/19		2019/20		2020/21
OPENING CASH				2,100,000		2,000,000		1,900,000
Operating Cash Receipts				30,691,767		31,718,228		32,746,406
Operating Cash Payments				30,905,867		31,937,328		32,687,666
Other Receipts				114,100		119,100		124,100
Other Payments				0		0		0
NET CASHFLOW				- 100,000		- 100,000		182,840
CLOSING CASH				2,000,000		1,900,000		2,082,840