
ORDINARY MEETING
OF
COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE
AGENDA

Time: 9:30am
Date: Wednesday, 7 April 2021
Venue: Ngake (16.09)
Level 16, Tahiwī
113 The Terrace
Wellington

MEMBERSHIP

Mayor Foster
Councillor Condie (Chair)
Councillor Foon
Councillor O'Neill
Councillor Rush
Councillor Sparrow
Councillor Young

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 04-803-8334, emailing public.participation@wcc.govt.nz or writing to Democracy Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number, and the issue you would like to talk about. All Council and committee meetings are livestreamed on our YouTube page. This includes any public participation at the meeting.

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.

To read the full delegations of this Subcommittee, please visit wellington.govt.nz/meetings.

Quorum: 3 members

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1. Meeting Conduct

1.1 Karakia

The Chairperson will open the meeting with a karakia.

Whakataka te hau ki te uru,	Cease oh winds of the west
Whakataka te hau ki te tonga.	and of the south
Kia mākinakina ki uta,	Let the bracing breezes flow,
Kia mātaratara ki tai.	over the land and the sea.
E hī ake ana te atākura.	Let the red-tipped dawn come
He tio, he huka, he hauhū.	with a sharpened edge, a touch of frost,
Tihei Mauri Ora!	a promise of a glorious day

At the appropriate time, the following karakia will be read to close the meeting.

Unuhia, unuhia, unuhia ki te uru tapu nui	Draw on, draw on
Kia wātea, kia māmā, te ngākau, te tinana,	Draw on the supreme sacredness
te wairua	To clear, to free the heart, the body
I te ara takatū	and the spirit of mankind
Koia rā e Rongo, whakairia ake ki runga	Oh Rongo, above (symbol of peace)
Kia wātea, kia wātea	Let this all be done in unity
Āe rā, kua wātea!	

1.2 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.

1.3 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.

1.4 Confirmation of Minutes

The minutes of the meeting held on 18 November 2020 will be put to the Council Controlled Organisations Subcommittee for confirmation.

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.

The Chairperson shall state to the meeting:

-
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.

The item may be allowed onto the agenda by resolution of the Council Controlled Organisations Subcommittee.

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

The Chairperson shall state to the meeting that the item will be discussed, but 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.

1.6 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 31.2 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.

Requests for public participation can be sent by email to public.participation@wcc.govt.nz, by post to Democracy Services, Wellington City Council, PO Box 2199, Wellington, or by phone at 04 803 8334, giving the requester's name, phone number and the issue to be raised.

2. General Business

REVIEW OF QUARTER TWO REPORTS FOR COUNCIL CONTROLLED ORGANISATIONS FOR THE PERIOD ENDING 31 DECEMBER 2020

Purpose

1. This report provides the subcommittee with a review of the first quarter reports submitted by Council Controlled Organisations for consideration in accordance with the requirements of the Local Government Act 2002.

Recommendations

That the Council Controlled Organisations Subcommittee:

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

Background

2. The subcommittee is tasked with monitoring the performance of the following entities:
 - Basin Reserve Trust
 - Karori Sanctuary Trust
 - Wellington Cable Car Limited
 - Wellington Museums Trust
 - Wellington Regional Economic Development Agency Limited
 - Wellington Regional Stadium Trust
 - Wellington Zoo Trust
3. Wellington Regional Economic Development Agency Ltd (trading as WellingtonNZ) is jointly owned (80% / 20%) by the Wellington City Council and the Greater Wellington Regional Council respectively. In addition to the monitoring by this subcommittee, the stakeholders jointly monitor the company via the Wellington Regional Strategy Committee.
4. Wellington Water Limited is owned by Wellington City Council (25.0%), South Wairarapa District Council (12.5%), Greater Wellington Regional Council (16.07%), Hutt City Council (17.85%), Porirua City Council (15.0%), Upper Hutt City Council (13.57%) and South Wairarapa District Council (12.5%). The shareholders jointly monitor the company via the Wellington Water Committee.

5. In terms of a Court Of Appeal Judgement (CA164/04) on 6 September 2005 between the Commissioner of Inland Revenue and the Wellington Regional Stadium Trust, it was established that Sections 5 and 6, Schedules 8 and 9 and Part 5 of the Local Government Act 2002 do not apply to the Wellington Regional Stadium Trust and accordingly the Trust is not a CCO.
6. In recognition of the Council's original investment in the Wellington Regional Stadium Trust and the non-recourse loan from Council to the Trust that was fundamental in the establishment of the Trust and the building of the stadium, the relationship operates as if the Trust was a CCO. This approach is consistent with the Greater Wellington Regional Council's relationship with the Trust. As agreed between the Councils the Trust reports on a six-monthly basis.

Discussion

7. Quarterly reports have been received from the following entities for consideration by the sub-committee and are attached as appendices:
 - Basin Reserve Trust
 - Karori Sanctuary Trust (trading as ZEALANDIA)
 - Wellington Cable Car Limited
 - Wellington Museums Trust (trading as Experience Wellington)
 - Wellington Regional Economic Development Agency Limited (trading as WellingtonNZ)
 - Wellington Zoo Trust
8. The first quarter reports have been reviewed by officers to assess any risks or issues and where any significant issues were identified these have been discussed with the relevant entity.
9. Representatives of the entities covered in this report normally attend the subcommittee meeting to present the quarterly report and answer any questions from the subcommittee.
10. BASIN RESERVE TRUST

ACTIVITY SUMMARY

Quarter highlights

- Black Caps v West Indies Test Match hosted in December 2020
- A well-attended Super Smash double header was hosted at the Basin Reserve with the Blaze and Firebirds winning both matches at the Basin Reserve
- Successful *Beers at the Basin* with a sell-out crowd of 6,000 in attendance
- Changing room upgrades in the RA Vance stand completed
- Confirmation of the ICC Women's World Cup 2022 schedule with the Basin Reserve hosting the first semi-final on 30 March 2022. The schedule of games at the Basin Reserve is outlined below:
 - Sunday 13 March - NZ V Australia
 - Tuesday 15 March - Australia v Qualifier A

- Tuesday 22 March - Australia v South Africa
- Thursday 24 March - South Africa v Qualifier A
- Friday 25 March - Australia v Qualifier B
- Sunday 27 March - England v Qualifier B
- Wednesday 30 March - Semi Final 1

The Basin continues to feature a wide range of sporting and community events. The key event of quarter two was the annual Beers at the Basin. This event showcases Wellingtons craft beer industry and drew a sold-out crowd of 6,000.



Beers at the Basin 2020

A partnership with NZ Blood Services saw the Norwood Room used as a blood donation centre throughout November. This booking in addition to a steady flow of conferences resulted in the annual target for function days being exceeded.

SUMMARY FINANCIALS (Year To Date)

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

FINANCIAL PERFORMANCE (\$000)	31 Dec 18 Actual	31 Dec 19 Actual	31 Dec 20 Actual	31 Dec 20 Budget	31 Dec 20 Variance	30 Jun 21 Budget
Total Revenue	565	723	507	409	98 ✓	813
Total Expenses	490	736	425	444	19 ✓	949
Surplus (Deficit)	75	(13)	82	(35)	117 ✓	(137)

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

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SUMMARY FINANCIALS (Year To Date)

FINANCIAL POSITION						
Total Assets	932	843	906	643	264 ✓	513
Total Liabilities	256	279	242	151	90 ✗	123
Equity	676	565	665	492	173 ✓	390
CASH FLOWS						
Total Net Cash Flows	32	65	123	(2)	125 ✓	(96)
Opening Cash	91	152	223	130	--	130
Closing Cash	124	217	346	128	--	35

The Trust is reporting a stronger than budgeted financial performance for the quarter due to:

- Ground hire for hosting International Cricket that was previously unbudgeted for due to Covid-19, however, this has also increased expenditure for event running costs.
- Ground hire for hosting the Peachy Keen concert in April.
- A timing difference for rent received from Cricket Wellington as this has now been received in full, whereas it was budgeted to only have received half of the annual rent by the end of Q2.

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

Target met or on track		At risk of not achieving target		Will not reach target	
MEASURE		YTD 31 Dec 18	YTD 31 Dec 19	YTD 31 Dec 20	STATUS
Cricket Event Days	YTD Actual	26 ✓	23 ✗	26 ✓	On target
	YTD Target	21	29	23	
	Full Year Target	38	50	33	
Other Sports Event Days	YTD Actual	13 ✓	10 ✗	0 ✓	On target
	YTD Target	10	13	0	
	Full Year Target	20	25	20	
Junior sports (football & rugby) will be held over the winter.					
Community Event Days	YTD Actual	4 ✓	6 ✓	4 ✓	Won't achieve
	YTD Target	3	5	0	
	Full Year Target	13	21	20	
Won't achieve annual target due to Q4 concert clashing with the community week.					
Function Days	YTD Actual	19 ✓	41 ✓	69 ✓	Target met
	YTD Target	12	14	5	
	Full Year Target	25	25	15	
Norwood room used for NZ Blood services throughout November.					

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

Practice Facility Usage (days)	YTD Actual	64 ✓	44 ✗	66 ✓	On target
	YTD Target	55	60	60	
	Full Year Target	100	100	100	
Ground Hire Income	YTD Actual	\$182,800	\$72,668	\$159,012	Target met
	YTD Target	n/a	n/a	n/a	
	Full Year Target	\$234,800	\$290,200	\$79,100	
International Cricket revenue that was previously unbudgeted for due to Covid-19.					
Numbers Attending Events	Actual	27,000	16,300	29,162	On target
	YTD Target	n/a	n/a	n/a	
	Full Year Target	41,000	41,000	15,000	
Operating Grant per Attendee	Actual	\$13.52	\$20.87	\$11.91	On target
	YTD Target	n/a	n/a	n/a	
	Full Year Target	\$16.09	\$16.50	\$46.30	

An event diversification strategy (which began in 2017) offers a wide range of opportunities for the public to enjoy the venue. With 100 event days and 100 practise days the Basin Reserve is currently utilised to its capacity of 200 days a year. In addition, there are approximately 50 functions and over 200 bookings for the indoor training nets, making good use of the Basin Reserve facilities.

ISSUES & OUTLOOK

No issues to report. COVID-19 remains an ongoing risk to hosting events at the Basin Reserve.

Key events planned for quarter three are as follows:

- Super Smash. The Basin Reserve hosted another double header final (the Firebirds and Blaze were both finalists) on Saturday 13th Feb.
- Blackcaps ODI v Bangladesh scheduled for Friday 26th March.
- Black and Gold conferences and events.

11. KARORI SANCTUARY TRUST

ACTIVITY SUMMARY

Highlights

- ZEALANDIA's membership programme continues to grow, reaching 17,892 members by 31 December.
- ZEALANDIA launched its online gift shop in November 2020 providing the opportunity for

people to buy products from the gift shop without needing to visit.

- Schools that cancelled or postponed visits during the COVID-19 affected terms two and three have been visiting in large numbers.
- ZEALANDIA collaborated with the six iwi of the Wellington Region, as well as Ōtari Wilton's Bush, to bring a taonga species, te pua o te ēinga or wood rose (*Dactylanthus taylorii*), to ZEALANDIA.

During the quarter, ZEALANDIA hosted 29,210 visitors, up 29% on the SOI target but down 25% on last year (due to NZ's closed borders). These figures include approximately 300 international visitors compared to an estimated 15,000 international visitors at the same time last year. Visitation from domestic tourism has increased from about 6,000 visitors in Q2 2019 to about 9,000 visitors in Q2 2020. Visitor numbers from Auckland, Hawkes Bay and Christchurch have increased most significantly.



Hihi/stitchbird being very vocal. Photo Credit: Melissa Boardman



Titipounamu/rifleman gathering nesting material. Photo Credit: Melissa Boardman

The translocation of the pua o te Rēinga (*Dactylanthus taylorii*) became a major media focus during the quarter, with stories published on TVNZ, Stuff and Radio New Zealand.

There was also significant interest around the vandalism of the perimeter fence in October and particularly on the incursion response and implications for the sanctuary. Fortunately no sign of mammalian intruders was found.

The Council funded project to install new glazing in the Rātā café balcony was completed during the quarter. The balcony area of the café was closed during the construction works which impacted the business during the quarter. However, with the project now complete the balcony is well protected and warmer in the winter months and light airy during the summer and shoulder seasons. This is a welcome improvement to the café and will benefit ZEALANDIA's café and function business going forward.

SUMMARY FINANCIALS (Year To Date)

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

FINANCIAL PERFORMANCE	31 Dec 18	31 Dec 19	31 Dec 20	31 Dec 20	31 Dec 20	30 Jun 21
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SUMMARY FINANCIALS (Year To Date)

(\$000)	Actual	Actual	Actual	Budget	Variance	Budget
Total Revenue	2,639	2,863	2,659	2,102	557 ✓	4,931
Op. Exp. before Depn	2,363	2,668	2,395	2,362	33 ✗	4,874
Earnings before Depn	277	195	265	(259)	524 ✓	57
Net Surplus (Deficit)	124	16	87	(439)	526 ✓	(302)
FINANCIAL POSITION						
Total Assets	5,233	6,179	7,150	5,937	1,213 ✓	5,853
Total Liabilities	1,082	991	986	805	181 ✗	584
Equity	4,151	5,188	6,164	5,132	1,032 ✓	5,269
CASH FLOWS						
Total Net Cash Flows	160	113	236	(321)	557 ✓	(560)
Opening Cash	1,637	2,663	3,793	1,635	--	1,635
Closing Cash	1,797	2,776	4,029	1,313	--	1,074

Overall, revenue performance (excluding Council's operating grant) is \$2.1m against a budget of \$1.6m. Total revenue is \$232k (10%) lower than the same period last year but is tracking ahead of budget.

Retail sales are down 30% on last year as a direct consequence of the reduction in international visitors to ZEALANDIA. However, the retail store has exceeded the sales budget by 65% due to strong sales in the lead up to Christmas and the launch of the online store in November 2020.

Rātā Café sales revenue was \$418,650, down 8% on last year. Sales were lower due to the impact of the redevelopment of the Rātā Café balcony that reduced seating space available during October and November. The business has experienced strong café sales since the balcony was reopened.

Earnings before depreciation is tracking favourably mainly due to unbudgeted government grants income of \$375,000.

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

The measure below is a Council metric, it is not controlled by the Trust.

MEASURE		YTD 31 Dec 18	YTD 31 Dec 19	YTD 31 Dec 20
Full costs to Council*	Actual	\$751,685^	\$757,713^	\$907,608
	Actual \$/visit	\$12.74	\$11.96	\$14.29
	Full Year Budget	\$1,497,272	\$1,536,540	\$1,526,833

* Council operating grant plus property related costs. Figures recognise the operating grant on an accrual basis. This measure includes property costs which the Trust does not control.

^ Did not include depreciation from Activity 1187.

Target met or on track	At risk of not achieving target	Will not reach target
YTD	YTD	YTD

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

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

MEASURE		31 Dec 18	31 Dec 19	31 Dec 20	STATUS
Council Subsidy (\$/visit)	Actual	\$7.25	\$6.94	\$7.08	On track
<i>WCC operating grant/visitors</i>	Full Year Target	\$8.80	\$8.54	\$12.85	
Tracking comfortably ahead of target and on par with prior years.					
Trading Revenue** (\$/visit)	Actual	\$33.91	\$36.19	\$26.71	On track
<i>** Revenue per visit excludes interest, Council and other grants.</i>	Full Year Target	\$26.48	\$26.74	\$27.01	
Trading revenues impacted by the border closure mainly and to a lesser extent the closure of the Rātā café balcony for two months during the quarter. Under the circumstances the performance is still strong.					
Non-Council Funding	Actual	\$324,865	\$311,182	\$235,506	Target met
<i>Donations and other non-council funding</i>	Full Year Target	\$270,000	\$275,000	\$200,000	
The full year target has been achieved in the first six months of the year.					
Membership Subscription Revenue^^	Actual	\$163,176	\$196,105	\$242,770	On track
<i>^^ Not a KPI – management target.</i>	Full Year Target	\$312,100	\$318,300	\$324,700	
The very successful membership campaign is reflected in this strong performance in the first six months of the year.					
Individual Members	Actual	10,832	11,839	17,892	Target met
	Full Year Target	10,800	11,000	11,200	
ZEALANDIA received very strong support for its campaign to grow its membership in response to COVID-19.					
Visitors	Actual	59,137 ✓	63,336 ✓	63,507 ✓	On track
	YTD Target	46,520	55,328	32,794	
	Full Year Target	99,300	118,100	70,000	
Despite the lack of international visitors to Wellington that normally make up a large part of ZEALANDIA's visitor base, the underlying support locally and nationally for ZEALANDIA is strongly evident.					
Students & Education Visits	Actual	5,272 ✗	5,636 ✓	3,699 ✗	At risk
	YTD Target	5,350	5,350	5,472	
	Full Year Target	8,800	8,800	9,000	
Cancellation of school visits in response to COVID-19 has setback the activity somewhat, but there are now strong bookings from the education sector and it is hoped that the full year target can be met.					

ZEALANDIA's overall performance has been much stronger than expected when the SOI targets were set during the early stages of COVID-19.

ISSUES & OUTLOOK

No issues to report. COVID-19 remains an ongoing risk.

12. WELLINGTON CABLE CAR LIMITED

ACTIVITY SUMMARY

Passenger numbers are below target and well below prior year figures for the same period. The Cable Car is using this time to develop a strategic marketing plan to help rebuild its passenger numbers from local supporters and domestic travellers to Wellington.

During Q2 a joint promotion between the Cable Car and Space Place *Take a Red Rocket to Space* was launched providing passengers with a combined discounted fare to both the Cable Car and Space Place entry.

SUMMARY FINANCIALS (Year to Date)

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

FINANCIAL PERFORMANCE (\$000)	31 Dec 18 Actual	31 Dec 19 Actual	31 Dec 20 Actual	31 Dec 20 Budget	31 Dec 20 Variance	30 Jun 21 Budget
Total Revenue	3,164	1,547	860	626	234 ✓	1,685
Operating Expenditure	2,720	1,897	1,677	1,844	(167) ✓	3,370
Operating Surplus (Deficit)	n/a	(350)	(817)	(1,218)	401 ✓	(1,685)
Surplus (Deficit) after tax	298	(204)	(589)	(1,218)	629 ✓	(1,685)
FINANCIAL POSITION						
Total Assets	12,279	12,326	10,909	n/a	n/a	9,943
Total Liabilities	1,891	1,654	921	n/a	n/a	1,240
Equity	10,388	10,672	9,987	n/a	n/a	8,704
CASH FLOWS						
Total Net Cash Flows	49	(801)	(987)	n/a	n/a	(1,296)
Opening Cash	4,096	5,007	3,786	n/a	n/a	3,786
Closing Cash	4,047	4,207	2,798	n/a	n/a	2,490

Revenue has been impacted by border closures halting international travel, particularly the loss of cruise ships to Wellington. The company is containing its cost base as much as possible. However, this activity has a significant fixed operational cost, regardless of passenger numbers and further cost reduction is challenging.

Council's COVID-19 support fund will be needed to help the business to recover and rebuild.

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

Target met or on track		At risk of not achieving target		Will not reach target	
MEASURE		YTD 31 Dec 18	YTD 31 Dec 19	YTD 31 Dec 20	STATUS
Passenger Trips	Actual	558,331 ✓	500,177 ✗	155,091 ✗	At risk
	YTD Target	515,911	561,279	189,848	
	Full Year Target	1,135,246	1,206,633	516,957	
October school holidays 33% down on last year and November the slowest month in terms of passenger numbers (and revenue) this financial year.					
Fare Income	Actual	\$1,659,991 ✓	\$1,546,349 ✗	\$479,496 ✗	At risk
	YTD Target	\$1,561,364	\$1,756,000	\$502,424	
	Full Year Target	\$3,520,749	\$3,648,000	\$1,437,987	
This metric is a function of the number of passenger trips which is below target.					

ISSUES & OUTLOOK

A trip on the Cable Car continues to rank among the top 10 things to do in Wellington, according to Tripadvisor (it is currently ranked number 5). And while the immediate viability of the business is extremely challenged at the current passenger levels, it is expected that the company's viability will return as we host more visitors to the city.

At this stage, COVID-19 remains an ongoing risk.

13. WELLINGTON MUSEUMS TRUST

ACTIVITY SUMMARY

Visitation in the first six months to 31 Dec 2020 was 199,052 which is comfortably ahead of the Trust's target of 113,100 and tracking well against the full year target of 261,700. This stronger than expected measure of activity is also reflected in other KPIs and in the financial position of the Trust versus its COVID-19 impacted forecasts for the same period.

Programme highlights for the quarter:

- **Wellington Museum:** The Mittens exhibition closed in October. The Residents book was successfully launched at the Museum, consisting of an evening with the author and a panel discussion. After months of negotiation and preparation, Suffrage in Stitches was delivered to Te Manawa in Palmerston North (set to open in early 2021), and the Trust hope to secure further venues from there.
- **Space Place:** A joint promotion between the Cable Car and Space Place *Take a Red Rocket to Space* was launched: a combined discounted fare to both the Cable Car and Space Place entry. Sci-Fi Sunday's ran over three consecutive Sunday's in December.

- **City Gallery:** The sell-out Aitu Ball on 1 October was an outstanding success, with voguers from Auckland and Wellington taking part, extremely positive feedback was received from FAFSWAG and participants. Two new shows by New Zealand artists opened at the Gallery: Zac Langdon-Pole: Containing Multitudes and Simon Ingram: The Algorithmic Impulse. The opening weekend included events and talks for a range of stakeholders.
- **Capital E:** The Lost Letter Office premiered at Te Raukura kī Kāpiti to 463 young theatre-goers. The first part of the tour to 15 national centres has welcomed over 4,000 children. The team also hosted two film-shoots for the *Making of the Lost Letter Office* documentary. This will be used as a resource for funders, schools, and partners.

Projects:

- The Navigators Project: Filming took place pre-Christmas, and post-production will begin in the new year. Completion of the Project is set for May 2021, with a launch in June 2021, close to Matariki. As much as possible, all production talent for the Navigators project will be drawn from the Wellington creative ecosystem.
- Planning for City Gallery Wellington's next high value international art exhibition continues. The exhibition is set to be on display between 4 December 2021 – 27 March 2022. Both Council and WellingtonNZ remain supportive, and these dates align with the Christmas holidays, the Arts Festival, and the ICC Women's Cricket World Cup.
- Wellington Museum Development: Council's draft LTP currently anticipates capital funding for seismic strengthening of the Bond Store to the value of \$21m.
- Future E: The Capital E senior team continues to work with Council on plans for co-locating Capital E within the Central Library Te Matapihi.
- Business System Review: The Trust is currently working with technology partner Gravity Lab to connect new retail systems, Vend and Shopify, to its CRM (Salesforce) and our accounting system (Xero).

SUMMARY FINANCIALS (Year To Date)

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

FINANCIAL PERFORMANCE (\$000)	31 Dec 18 Actual	31 Dec 19 Actual	31 Dec 20 Actual	31 Dec 20 Budget	31 Dec 20 Variance	30 Jun 21 Budget
Revenue	6,179	6,117	6,219	5,704	515 ✓	12,234
Opex before Depreciation	5,897	6,030	6,432	6,180	252 ✗	12,942
Depreciation	222	258	256	260	(4) ✓	520
Net Surplus (Loss)	61	(171)	(469)	(736)	267 ✓	(1,228)
FINANCIAL POSITION						
Total Assets	6,182	6,442	6,555	5,345	1,210 ✓	4,852
Total Liabilities	1,688	2,086	2,575	1,608	967 ✗	1,610
Equity	4,494	4,356	3,980	3,737	243 ✓	3,242
CASH FLOWS						
Total Net Cash Flows	2,081	46	84	(735)	819 ✓	(1,228)
Opening Cash	944	1,072	1,555	830	--	830
Closing Cash	3,025	1,117	1,640	95	--	(398)

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

7 APRIL 2021

SUMMARY FINANCIALS (Year To Date)

In the six months to 31 Dec 2020, the Trust's performance exceeded its COVID-19 impacted budget for the same period, due largely to better than expected attendances and trading conditions.

In comparison to the same period last year, the Trust's revenue was higher in part supported by the government's COVID-19 relief funding. This is offset by the corresponding increase in operating costs due to increased staffing and cleaning costs during the same period. In addition, Experience Wellington has altered its retail offerings to cater to local and domestic visitors, so the makeup and margin of its retail offerings has also changed. Overall, the Trust's deficit of \$469k is \$267k ahead of its forecast deficit for the period and (all other things being equal) signals that the full year deficit will be less than the \$1.2m deficit budget for the year.

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

The measure below is a Council metric, it is not controlled by the Trust.

MEASURE		YTD 31 Dec 18	YTD 31 Dec 19	YTD 31 Dec 20
Full Costs to Council*	Actual	\$4,567,873	\$4,538,193	\$5,421,471
	Actual \$/visit	\$12.69	\$13.16	\$28.42
	Full Year Budget	\$10,850,622	\$9,076,386	\$10,842,942

* Council operating grant plus property related cost (including rental grant paid for Capital E). Figures recognise the gross operating grant, not allocated among the various activities. This measure includes property costs which the Trust does not control.

Target met or on track		At risk of not achieving target		Will not reach target	
MEASURE		YTD 31 Dec 18	YTD 31 Dec 19	YTD 31 Dec 20	STATUS
Council Grant (\$/visit)	Actual	\$10.91	\$10.61	\$19.58	On track
	Full Year Target	\$10.05	\$11.24	\$29.47	

Subsidy per Visit forecast is based on the probable percentage of the operating grant received from Council as follows:

- City Gallery – 30%
- Museums Wellington (Wellington Museum, Cable Car Museum and Nairn Street Cottage) – 26%
- Capital E (including the Hannah Playhouse) – 22%
- Space Place – 4.9% plus the cash underwrite
- Trust's Executive Office – 17.1%

City Gallery	Actual	\$14.19	\$14.81	\$27.45	On track
	Full Year Target	\$12.65	\$14.96	\$43.34	
Museums Wellington Wellington Museum, Cable Car Museum & Nairn St Cottage	Actual	\$4.99	\$5.58	\$10.10	On track
	Full Year Target	\$5.00	\$5.01	\$15.52	
Capital E	Actual	\$16.21	\$11.36	\$36.10	On track
	Full Year Target	\$10.76	\$23.35	\$39.26	
Space Place	Actual	\$6.85	\$6.11	\$8.88	On track

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 7 APRIL 2021

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

	Full Year Target	\$9.72	\$9.48	\$23.56	
These metrics are based on an allocation (as above). Targets are full year figures. The actual subsidy per visit is expected to align with or exceed the full year target by year end.					
MEASURE		YTD 31 Dec 18	YTD 31 Dec 19	YTD 31 Dec 20	STATUS
Average Spend (\$/visit)	Actual	\$3.65	\$3.47	\$3.55	On track
	Full Year Target	\$3.40	\$2.93	\$1.93	
City Gallery	Actual	\$2.58	\$2.48	\$2.68	On track
	Full Year Target	\$1.80	\$1.87	\$1.76	
Museums Wellington <i>Wellington Museum, Cable Car Museum & Nairn St Cottage</i>	Actual	\$2.90	\$2.76	\$2.53	On track
	Full Year Target	\$2.28	\$2.16	\$1.76	
Capital E	Actual	\$4.64	\$3.37	\$2.69	On track
	Full Year Target	\$3.12	\$3.29	\$2.79	
Space Place	Actual	\$10.40	\$10.26	\$11.42	On track
	Full Year Target	\$9.85	\$9.93	\$5.67	
The average spend per visitor across the Trust's various activities, at \$3.55 per visitor, is relatively static. In the current environment this is a strong performance and well above the target figure of \$1.93 per visitor.					

MEASURE		YTD 31 Dec 18	YTD 31 Dec 19	YTD 31 Dec 20	STATUS
Total Non-Council Revenue (\$000s)	Actual	\$2,012	\$1,955	\$1,429	On track
	Full Year Target	\$4,079	\$3,858	\$2,458	
Tracking well toward its annual target (reduced due to the impact of COVID-19).					
... Trading Revenue					
City Gallery	Actual	\$199	\$228	\$120	On track
	Full Year Target	\$307	\$296	\$99	
Museums Wellington <i>Wellington Museum, Cable Car Museum & Nairn St Cottage</i>	Actual	\$555	\$490	\$267	On track
	Full Year Target	\$845	\$837	\$144	
Capital E	Actual	\$198	\$217	\$74	On track
	Full Year Target	\$509	\$252	\$127	
Space Place	Actual	\$252	\$313	\$245	On track
	Full Year Target	\$542	\$566	\$136	
Sub-letting, interest & other	Actual	\$110	\$56	\$1	At risk
	Full Year Target	\$275	\$206	\$30	
... Fund Raising Revenue					
City Gallery	Actual	\$133	\$93	\$213	On track
	Full Year Target	\$274	\$574	\$395	

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

7 APRIL 2021

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

Museums Wellington <i>Wellington Museum, Cable Car Museum & Nairn St Cottage</i>	Actual	\$74	\$60	\$77	On track
	Full Year Target	\$173	\$158	\$100	
Capital E	Actual	\$459	\$465	\$378	On track
	Full Year Target	\$1,051	\$858	\$942	
Space Place	Actual	\$32	\$33	\$54	On track
	Full Year Target	\$103	\$111	\$485*	

Trend data for the split between trading revenues and fund raising is not available yet, but the overall position is improving. With average spend figures static or declining, the Trust's focus on fund raising is growing in importance.

*This funding has been procured for the Navigators project, and is being drawn down from the balance sheet.

VISITATION		YTD	YTD	YTD	
		31 Dec 18	31 Dec 19	31 Dec 20	STATUS
Total Visits	Actual	344,945 ✓	356,897 ✓	199,052 ✓	On track
	YTD Target	310,550	318,758	113,100	
	Full Year Target	753,500	665,500	261,700	
The 2020-21 targets are based on an operating environment of closed borders and no international visitors.					
Cable Car Museum	Actual	129,920 ✓	113,826 ✗	56,896 ✓	On track
	YTD Target	96,000	114,000	35,000	
	Full Year Target	237,000	256,000	79,000	
City Gallery	Actual	77,590 ✗	76,645 ✓	44,778 ✓	On track
	YTD Target	85,000	76,500	24,600	
	Full Year Target	170,000	150,000	56,200	
Capital E	Actual	49,814 ✓	73,331 ✓	27,330 ✓	On track
	YTD Target	42,750	40,758	21,750	
	Full Year Target	157,500	70,500	45,500	
Wellington Museum	Actual	60,568 ✗	62,170 ✓	48,369 ✓	On track
	YTD Target	62,000	61,200	21,500	
	Full Year Target	132,000	130,000	56,000	
Space Place	Actual	26,258 ✓	30,587 ✓	21,482 ✓	On track
	YTD Target	24,000	25,500	10,000	
	Full Year Target	55,000	57,000	24,000	
Nairn Street Cottage	Actual	813 ✓	338 ✗	107 ✗	Won't

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

	YTD Target	800	800	250	reach
	Full Year Target	2,000	2,000	1,000	

In general, the YTD performance against the full year targets are strong and the Trust expects to achieve its full year targets in most, if not all, cases.

ISSUES & OUTLOOK

No issues to report. COVID-19 is an ongoing risk to visitation and programming scope, as well as the Trust's ability to generate revenue through retail and venue hire. It also has a negative impact on BAU operating costs.

14. WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED

EXECUTIVE SUMMARY

The two images below help to demonstrate WellingtonNZ's activity highlights in Q2.

YTD Quarter one (July to September)



YTD Quarter two (July to December)



Building on the success of the *Love Local Lambton* campaign in the spring, the *Love Local: Heart of the CBD* campaign aimed to drive locals into the CBD to shop for Christmas. The campaign

delivered good online followings and had a prominent physical presence in the city. WellingtonNZ worked with Council and First Retail on a range of pop-up performances, events, and retail offerings, including a successful *Love Local Pop-Up Shop* featuring a mix of Wellington artisan brands. The 11th edition of the popular Advent Calendar was also launched to leverage this campaign. Advent Calendar voucher downloads totaled 129,283 leading to direct expenditure of \$150,341.

The digital marketing of WellingtonNZ via its own web site and other platforms showed strong increases in views compared with prior years – increasing the reach of promotional materials and images of Wellington.

Regional Trails Framework

- This is a pillar of the Regional Destination Development Strategy and integrated into district Destination Development Strategies. The trails framework supports the region delivering on the SOLGM Wellbeing Framework Indicators.
- The project has delivered on all of the first 3-year project actions. The Remutaka Cycle Trial has obtained 3-year MBIE 50% funding for a trail manager. 10 out of 11 partner agencies have agreed to fund this project for another 3 years.
- Porirua Adventure Park stage one build has commenced. A new national level NZCT Connector Ride in Wainuiomata has opened.

UNESCO City of Film

- Wellington hosted the first meeting of the three UNESCO Creative Cities in Aotearoa. The official launch of Wellington UNESCO City of Film introduced the designation to the sector and community. Guests were welcomed by Ngā Taonga and a great range of speakers and supporters including Deputy PM Grant Robertson who spoke at the launch event.
- Academy Award™ winning producer and writer Phillipa Boyens was appointed City of Film Ambassador. Mayor Andy Foster is the other City of Film Ambassador.
- Wellington digital design company Chrometoaster and UNESCO City of Film have teamed up to develop a prototype and pitch for an augmented reality film heritage trail for Wellington.

Major Events

In Q2, WellingtonNZ acquired \$3.5m from MBIE's Regional Events Fund to be invested over the next 3 years.

- The success of the Van Gogh Digital Nights exhibition continued from Q1 and into Q2. The exhibition was one of the first large scale events to go live following lock-down and amassed 41,711 attendees across both quarters.
- Sky Stadium hosted an All Blacks v Australia test in October with 31,020 fans enjoying the match including 5,500 fans that travelled from outside the Wellington region to attend.
- Wellington On A Plate had 388 businesses from across the region participate.
- Beervana attracted almost 15,000 people, including 40% from outside the region.
- New addition to the major events programme, Downtown Shakedown welcomed 10,000 festival goers to Waitangi Park for a kiwi music festival.

VENUES WELLINGTON

Performance Events

- Delivered 45 performance events with 58,679 guests bringing the YTD totals to 113 events

hosting 131,675 guests.

With promoter confidence growing Venues Wellington delivered a number of sold-out events and other very well attended events including Avantdale Bowling Club as part of the Wellington Jazz festival, three sold out Bennee shows, Shapeshifter, Tami Neilson, Th' Dudes, Big Laughs with 7 Days LIVE & The 2020 Xmas Comedy Fest Gala with Urzila Carlson, as well as shows from its resident performing arts hirers Orchestra Wellington, the NZSO and Royal NZ Ballet.

Business Events

- Delivered 57 business events with 28,987 attendees bringing YTD totals to 118 events hosting 80,987 attendees.

Confidence to the business events sector has been slower to return and with shifting between Alert Levels the industry confidence may remain subdued. Inquiries now commonly include hybrid (digital/physical) scenarios and floor plans to accommodate different Alert Level scenarios.

Key business events generated or confirmed for 2021 include the Conference for General Practice 2021 and the Infrastructure Association – Building Nations Conference 2021 and HiNZ 2021.

SUMMARY FINANCIALS (include CreativeHQ but does not include Venues Wellington. The financial results for the venues are reported within Council's financial position).

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

FINANCIAL PERFORMANCE	31 Dec 18	31 Dec 19	31 Dec 20	31 Dec 20	31 Dec 20	30 Jun 21
(\$000)	Actual	Actual	Actual	Budget	Variance	Budget
Total Revenue	16,336	17,838	15,825	15,484	340 ✓	27,045
Total Expenses	16,394	15,153	13,778	14,508	(730) ✓	27,545
Net Surplus (Loss)	(192)	2,494	2,047	976	1,071 ✓	(500)
FINANCIAL POSITION						
Total Assets	5,235	9,517	14,014			6.632
Total Liabilities	3,222	3,968	6,707			4.094
Equity	2,013	5,550	7,307			2.538
CASH FLOWS						
Total Net Cash Flows	(1,590)	n/a				560
Opening Cash	3,512	n/a				2.443
Closing Cash	1,922	3,823				3.003

In the year-to-date, unbudgeted revenue has been received via Central Government COVID-19 funding to support various projects. WellingtonNZ is also holding income in advance which along with the delay in some programmes means the company is in a strong financial position to undertake planned and new programmes of activity in second half of the year. WellingtonNZ expects it will meet budget at year end.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

7 APRIL 2021

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

KEY PERFORMANCE INDICATORS

Target met or on track		At risk of not achieving target		Will not reach target	
KEY PERFORMANCE MEASURES		YTD 31 Dec 18	YTD 31 Dec 19	YTD 31 Dec 20	STATUS
Delivering direct value / ROI to shareholders					
Direct economic impact from WellingtonNZ's activities and interventions	Actual	n/a	\$124.9m	\$84m	On track
	Full Year Target	n/a	New	\$86m	
Shaping & amplifying the regional destination / brand story					
Equivalent Advertising Value (EAV) from media activity	Actual	n/a	\$15.5m	\$10.0m	Achieved
	Full Year Target	n/a	\$25.0m	\$10.0m	
Value of out of region venue and event expenditure	Actual	\$52.3m	\$56m	\$22m	On track
	Full Year Target	\$58m	\$125.0m	\$40m	
Number of Wellington region residents that attend events	Actual	n/a	n/a	108,789	On track
	Full Year Target	n/a	n/a	475,000	
Only displaying Q2 figures, Q1 figures currently unavailable due to COVID-19 impacting data collection from events.					
Supporting businesses to upskill and grow					
Number of different business engagements in WellingtonNZ programmes	Actual	n/a		2,791	On track
	Full Year Target	n/a	New	3,789	
Financial health					
Budget on track – income, expenditure and surplus	Actual	n/a	n/a	Achieved	On track
	Full Year Target	n/a	n/a	To budget	
Percentage revenue from commercial / non-Council funding & commercial activity	Actual	n/a		33.4%	On track
	Full Year Target	n/a	30.0%	30.0%	

INDIRECT MEASURES OF IMPACT

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 7 APRIL 2021

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

Target met or on track	At risk of not achieving target		Will not reach target		
INDIRECT MEASURES OF IMPACT		YTD 31 Dec 18	YTD 31 Dec 19	YTD 31 Dec 20	STATUS
Number of international visitors	Actual	n/a	n/a	n/a	No data
	Full Year Target			100,000	
Data not available as IVS is not currently being captured due to the absence of International visitors to survey.					
International visitor arrivals through Wellington International Airport - from Australia	Actual	32,240	33,401	2	On track
	Full Year Target	New	153,000	40,000	
Q2 forecast was zero visitors					
International visitor arrivals through Wellington International Airport - International (exc. Australia)	Actual	9,968	10,934	4	On track
	Full Year Target	New	New	10,000	
Q2 forecast was zero visitors					
Visitor nights recorded in the Accommodation Data Programme	Actual	n/a	n/a	1,102,400	On track
	Full Year Target	New	New	1,832,261	
July to November. December to be confirmed.					
Visitor spend - domestic	Actual	\$628m	\$633m	\$633m	On track
	Full Year Target	New	New	\$1,453m	
July to October only.					
Visitor spend – Australian	Actual	\$71m	\$81m	\$27m	On track
	Full Year Target	New	New	\$60m	
July to October only.					
Visitor spend – International (incl. Australia)	Actual	\$221m	\$250m	\$125m	On track
	Full Year Target	\$2,640m	\$2,755m	\$86m	
International spend modelling is currently being impacted by a new modelling method, figures will need to be revised.					
Share of NZ multi-day conferences in the Wellington region	Actual	22%	n/a	20%	On track
	Full Year Target	19%	19%	22%	
Data available later in November.					
Population growth due to migration to the Wellington region	Actual	n/a	n/a	Annual	
	Full Year Target	New	New	1,500	
Share of NZ international students reported in the Wellington region	Actual	7%	n/a	Annual	
	Full Year Target	n/a	7%	7.2%	
Wellington region GDP growth	Actual	n/a	n/a	-2.5%	On track
	Full Year Target	New	New	-2.5%	

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

Provisional figure only.

Total number of work ready job seekers in Wellington region	Actual	n/a	9,718	14,619	On track
	Full Year Target	New	New	29,000	

Work-Ready Job Seekers only. Total on Job-seeker benefit was 20,866.

Total consumer spending in Wellington region through electronic card data - total	Actual	n/a	n/a	\$3,641m	On track
	Full Year Target	New	New	\$5,415m	

Total consumer spending in Wellington region through electronic card data – retail	Actual	n/a	n/a	\$1,242m	On track
	Full Year Target	New	New	\$1,389m	

Total consumer spending in Wellington region through electronic card data – hospitality	Actual	n/a	n/a	\$592m	On track
	Full Year Target	New	New	\$846m	

ISSUES & OUTLOOK

No issues to note. COVID-19 is an ongoing risk.

15. WELLINGTON ZOO TRUST

ACTIVITY SUMMARY

Wellington Zoo welcomed 56,839 visitors during the quarter to 31 Dec 2020, only 4,574 less than the same period last year. Year to date visitation reached 106,988 and is on track to exceed the full year target of 173,882. Student and education visits also performed well at 11,729 YTD against the full year target of 14,645.

Highlights for the quarter

At its December 2020 meeting, the Board accepted the Snow Leopard Developed Design Report and cost estimate and approved the Zoo team to move into the Detailed Design stage.

The Zoo completed its annual Qualmark assessment, which involved an audit of various visitor, marketing and health and safety initiatives at the Zoo, and again achieved Qualmark EnviroGold certification.

The Giraffe House refurbishment, including new interpretive media, was completed in December with the installation of browse feeders and drinkers and was formally opened on Friday 5 February

2021.

The direct field conservation contributions for 2019/20 totalled \$582,613 or 7.1% of the Zoo's operational budget, exceeding the 2019/20 target of 6% and ZAA/WAZA's regional and global baseline targets of 3%.

All permanent staff were advised that an additional day of annual leave had been gifted to show appreciation for how they had stepped up during the COVID-19 lockdown and the shifts between Alert Levels.

The Amalgamated Workers Union NZ and the Zoo have renewed the Collective Employment Agreement which will be in force for the next three years. The new agreement gives members an extra week's annual leave on their fifth and subsequent years of continuous employment.

As part of the Trust's Remuneration Strategy, all Tier 4 roles are currently being reviewed by Strategic Pay. This involves 13 different roles including keepers, educators, veterinary technicians, maintenance officer and various advisors. Once sized appropriately, any necessary remuneration adjustments will be incorporated into the 2021/22 budget within capacity to pay.

Grants received during the quarter:

- Support from Holdsworth Charitable Trust to contribute to the operational costs of Te Piringa Iti and Te Hononga with a contribution of \$300,000 over three-years (this is in addition to their support for the Nest Te Kōhanga);
- \$48,000 from J&A Mauger Trust to use for Snow Leopards. This will be J&A Mauger Trust's final contribution to the Zoo as the Trust is closing; and
- \$13,867 funding from Koala Trust and Brian Whiteacre Trust to support The Nest Te Kōhanga operational costs.

SUMMARY FINANCIALS (Year To Date)

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

FINANCIAL PERFORMANCE	31 Dec 18	31 Dec 19	31 Dec 20	31 Dec 20	31 Dec 20	30 Jun 21
(\$000)	Actual	Actual	Actual	Budget	Variance	Budget
Operating Revenue	3,896	4,097	4,605	3,083	1,522 ✓	6,736
Operating Expenses	3,875	4,291	4,080	4,141	(61) ✓	8,311
Operating Surplus (Deficit)	21	(194)	525	(1,058)	1,583 ✓	(1,575)
Net Surplus (Deficit)	33	331	574	(1,058)	1,632 ✓	(1,575)
FINANCIAL POSITION						
Total Assets	4,124	3,501	3,773	917	2,856 ✓	293
Total Liabilities	2,015	1,467	1,707	1,114	593 ✗	1,008
Equity	2,109	2,034	2,066	(197)	2,263 ✓	(715)
CASH FLOWS						
Total Net Cash Flows	(379)	(1,164)	331	(1,165)	1,496 ✓	(1,789)
Opening Cash	3,668	3,890	2,912	1,832	--	1,832
Closing Cash	3,289	2,726	3,243	667	--	43

YTD trading revenues exceed budget by almost \$1.0m with other grants, sponsorships and donations adding a further \$500k, creating a positive variance to the budget of \$1.6m. The Zoo is well positioned with cash reserves of \$3.2m at 31 Dec 2020.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

7 APRIL 2021

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

The measure below is a Council metric, it is not controlled by the Trust.

		YTD 31 Dec 18	YTD 31 Dec 19	YTD 31 Dec 20
MEASURE				
Full costs to Council*	Actual	\$2,225,517	\$2,586,936	\$2,858,318
	Actual \$/visit	\$20.17	\$24.33	\$26.58
	Full Year Budget	\$5,331,512	\$5,390,598	\$5,940,879
* Council operating grant plus property related costs. Figures recognise the operating grant on an accrued (not payment) basis. This measure includes property costs which the Trust does not control.				

Target met or on track		At risk of not achieving target		Will not reach target	
MEASURE		YTD 31 Dec 18	YTD 31 Dec 19	YTD 31 Dec 20	STATUS
Council Subsidy (\$/visit)	Actual	\$14.43	\$16.01	\$16.33	On track
	Full Year Target	\$13.58	\$13.41	\$20.10	
Trading Revenue** (\$/visit)	Actual	\$19.44	\$21.52	\$26.58	On track
	Full Year Target	\$17.21	\$19.56	\$18.63	
** Revenue per visit excludes interest, Council grants and other grants.					
Non-council donations & funding	Actual	\$214,000	\$201,000	\$682,000	Achieved
	Full Year Target	\$154,000	\$155,000	\$222,000	
Excludes capital grants.					
Includes government in response to COVID-19.					
Percentage Operating Costs Generated by the Trust	Actual	57%	53%	70%	On track
	Full Year Target	56%	59%	39%	
Representative of the Trust's strong YTD financial performance.					
Trust Generated Income as Percentage of the Council's grant	Actual	135%	134%	163%	On track
	Full Year Target	127%	146%	93%	
Representative of the Trust's strong YTD financial performance.					
Percentage of native patient successfully released to the wild after treatment in the Nest Te Kōhanga	Actual	57%	68%	69%	On track
	Full Year Target	70%	50%	50%	

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

Native Animal Admissions to The Nest Te Kōhanga

	2015	2016	2017	2018	2019	2020
January	63	67	76	54	78	84
February	51	41	52	70	57	55
March	60	39	33	57	51	44
April	30	28	22	37	36	0
May	37	33	47	33	34	2
June	34	23	21	38	24	28
July	33	17	20	36	18	39
August	26	15	24	25	23	25
September	25	24	22	30	30	19
October	19	43	28	40	30	93
November	33	41	37	44	44	36
December	67	58	61	48	58	47
	478	429	443	512	483	277

Student & Education Visits	Actual	7,844	6,781	11,729	On track
	Full Year Target	10,500	10,500	14,645	

Tracking well against the annual target (which was reduced from 20,000 due to COVID-19).

Visitors	Actual	115,006 ✓	106,347 ✗	106,988 ✗	On track
	YTD Target	112,773	115,930	112,822	
	Full Year Target	244,420	254,000	173,882	







Despite falling slightly short of the YTD target, the Trust is on track to achieve its full year visitation target (which was reduced from 254,000 due to COVID-19).

ISSUES & OUTLOOK

No issues to note.

The potential impact of COVID-19 is still unknown. The Trust is anticipating some negative financial impacts for 2021/22 without central government funding in the new financial year.

Attachments

Attachment 1.	Basin Reserve Trust Q2 report ↓ 	Page 32
Attachment 2.	Karori Sanctuary Trust Q2 report ↓ 	Page 47
Attachment 3.	Wellington Cable Car Ltd Q2 report ↓ 	Page 64
Attachment 4.	Wellington Museums Trust Q2 report ↓ 	Page 70
Attachment 5.	Wellington Regional Economic Development Agency Q2 report ↓ 	Page 86
Attachment 6.	Wellington Zoo Trust Q2 report ↓ 	Page 119

Author	Warwick Hayes, Project Manager Economic & Commercial
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**COUNCIL CONTROLLED ORGANISATIONS
SUBCOMMITTEE**
7 APRIL 2021

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

Authoriser	Claire Richardson, Chief Operating Officer
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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
Report to the Wellington City Council
CCO Committee

Second Quarter ending 31 December 2020



1. Highlights

Quarter two highlights are outlined below:

- BLACKCAPS v West Indies Test Match
- Christmas Eve at the Basin Super Smash double header with 3,050 in attendance
- Successful Beers at the Basin with 6,000 in attendance
- Completion of the changing room upgrades
- Confirmation of the ICC Women's World Cup 2022 schedule with the Basin now hosting semi-final #1 on 30 March 2022

2. Statement of Intent KPI Performance

Quarter two marks the start of the domestic and international cricket season. The table below outlines quarter two's actuals vs targets, as well as year to date performance vs the BRT's annual targets

Measure	Measurement	Annual Target	YTD	Q2 Target	Q2 Actual	Comments
• Cricket Events	Cricket days	33	26	19	26	On-track
• Other Sports Events	Sports days	20	0	0	0	N/A
• Community Events	Event days	20	4	2	4	Won't achieve annual target due to Q4 concert clashing with the community week
• Practice facility usage	Practice days	100	66	45	50	On-track
• Functions	Function days	15	69	5	64	Norwood room used for NZ Blood services throughout November

Cricket Events and Practise Facility Usage

The Firebirds domestic season commenced with three Plunkett Shield games (men's 4-day competition) played at the Basin in October. In November, the ground also held two Hallyburton Johnstone Shield games (women's 1-day competition).

The 'Christmas Eve at the Basin', a free Cricket Wellington (CW) event that featured the women's and men's double header v Auckland launched the Super Smash (T20 competition) season on 24 December 2020.



Other Sports and Community Events

The Basin continues to feature a wide range of sporting and community events. The key event of quarter two was the annual Beers at the Basin. This event showcases Wellingtons craft beer industry and drew a sold-out crowd of 6,000 event goers.

Functions

An innovative partnership with NZ Blood Services saw the Norwood Room used as a blood donation centre throughout November. This booking in addition to a steady flow on conferences has resulted in the annual target for function days being exceeded.

3. Womens Cricket World Cup 2020

The rejigged playing schedule for CWC22 (postponed from February 2021 due to COVID-19) was confirmed in December 2020. Wellington has benefited with a high quality of games (including four that feature Australia) and the addition of a semi-final.

The schedule of games at the Basin Reserve is outlined below:

- Sunday 13 March - NZ v Australia
- Tuesday 15 March - Australia v Qualifier A
- Tuesday 22 March - Australia v South Africa
- Thursday 24 March - South Africa v Qualifier A
- Friday 25 March - Australia v Qualifier B
- Sunday 27 March - England v Qualifier B
- Wednesday 30 March - Semi Final 1

4. Master Plan Redevelopment

The Trust continues to work with Council in progressing the vision of the Masterplan. With the completion of the Old Pavilion redevelopment, planning is now underway to deliver the following projects in the 2021 winter ahead of the 2021-22 season and the Women's Cricket World Cup

- Embankment toilet upgrade
- Picket fence upgrade
- Ground lighting
- Electrical master plan / power supply
- Permanent broadcast towers
- Sightscreen upgrade
- In venue wifi connectivity
- Additional groundsman storage

Council's plans for the upgrade of the perimeter fence and ground entrances are currently on hold pending outcomes from the Get Welly Moving project.



5. Fundraising

The BRT has been successful in securing \$231,000 for the changing room upgrades. To date the BRT has secured \$951,000.

6. Basin Reserve Trust Meetings

The BRT Trustees met on 18 December. The meeting schedule for the remainder of this reporting year is outlined in the table below:

Friday 26 March 2021	10.00am	Library, Old Pavilion, Basin Reserve
Friday 25 June 2021	10.00am	Library, Old Pavilion, Basin Reserve

7. Financial Performance

A year-to-date summary of financial performance is outlined below (Please refer to the attached Statement of Financial Performance for the period ending 31 December 2021 for further information)

FINANCIAL PERFORMANCE (\$'000)	31 Dec 20 Actual	31 Dec 20 Budget	31 Dec 20 Variance	30 Jun 21 Budget	30 Jun 21 Reforecast
Total Revenue	507	409	98	813	941
Total Expenses	425	444	19	949	937
Surplus (Deficit)	82	(35)	117	(137)	3
FINANCIAL POSITION					
Total Assets	906	643	264	513	-
Total Liabilities	242	151	(90)	123	-
Equity	665	492	173	390	-
CASH FLOWS					
Total Net Cash Flows	123	(2)	125	(96)	-
Opening Cash	223	130	-	130	-
Closing Cash	346	128	-	35	-

At the conclusion of Q2, a year-end reforecast has been completed based on increased revenue received for events, indicating stronger financial performance than previously budgeted for the Basin Reserve Trust for the 2020-21 financial year. Key variances include increased ground hire for hosting International Cricket that was previously unbudgeted for due to Covid-19, however, this has also increased expenditure for event running costs. There has been an additional increase in revenue for securing ground hire for hosting rights for the Peachy Keen concert in April. There is also a timing



difference for rent received from Cricket Wellington as this has now been received in full, whereas it was budgeted to only have received half of the annual rent by the end of Q2.

8. Outlook

Key events planned for quarter three are as follows:

- Super Smash
- Blackcaps ODI v Bangladesh
- Black and Gold conferences and events

9. Issues / Risks

- Continued uncertainty regarding the impacts of COVID-19 and the potential impact on the Basin's events schedule.

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
For the quarter ended: 31 December 2020

Forecast FYE 30-Jun-21		Actual Qtr to 31-Dec-20	Budget Qtr to 31-Dec-20	Variance Qtr to 31-Dec-20	Budget FYE 30-Jun-21
\$		\$	\$	\$	\$
	Revenue				
694,659	Council funding	347,330	347,329	1	694,659
700	Grants other	700	-	700	-
334,110	Sale of goods and services	159,012	61,700	97,312	117,700
360	Interest revenue	118	180	(62)	360
1,029,829	Total Revenue	507,160	409,209	97,951	812,719
	Expenses				
90,000	Depreciation of property, plant and equipment	37,752	59,000	21,248	118,000
757,400	Costs related to providing goods and services	331,313	318,900	(12,413)	684,200
144,620	Other expenses	55,895	66,290	10,395	147,080
992,020	Total Expenses	424,960	444,190	19,230	949,280
37,809	Surplus/(Deficit) for the Year	82,200	(34,981)	117,181	(136,561)

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL POSITION
As at: 31 December 2020

Forecast As at 30-Jun-21		Actual As at 31-Dec-20	Budget As at 31-Dec-20	Variance As at 31-Dec-20	Budget As at 30-Jun-21
\$		\$	\$	\$	\$
	Assets				
	Current Assets				
225,007	Bank accounts and cash	346,412	128,376	218,036	34,506
52,542	Debtors and prepayments	117,733	27,500	90,233	35,200
277,549	Total Current Assets	464,145	155,876	308,269	69,706
	Non-Current Assets				
426,478	Property, plant and equipment	442,326	486,940	(44,614)	442,940
426,478	Total Non-Current Assets	442,326	486,940	(44,614)	442,940
704,027	Total Assets	906,471	642,816	263,655	512,646
	Liabilities				
	Current Liabilities				
71,500	Creditors and accrued expenses	241,553	151,297	(90,256)	110,707
12,000	Income received in advance	-	-	-	12,000
83,500	Total Current Liabilities	241,553	151,297	(90,256)	122,707
83,500	Total Liabilities	241,553	151,297	(90,256)	122,707

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL POSITION
As at: 31 December 2020

Forecast As at 30-Jun-21		Actual As at 31-Dec-20	Budget As at 31-Dec-20	Variance As at 31-Dec-20	Budget As at 30-Jun-21
\$		\$	\$	\$	\$
620,527	Total Assets less Total Liabilities	664,918	491,519	173,399	389,939
	Trust Equity				
100	Contributed capital	100	100	-	100
620,427	Accumulated surpluses	664,818	491,419	173,399	389,839
620,527	Total Trust Equity	664,918	491,519	173,399	389,939

BASIN RESERVE TRUST
STATEMENT OF CASH FLOWS
For the quarter ended: 31 December 2020

Forecast FYE 30-Jun-21		Actual Qtr to 31-Dec-20	Budget Qtr to 31-Dec-20	Variance Qtr to 31-Dec-20	Budget FYE 30-Jun-21
\$		\$	\$	\$	\$
	Cash Flows from Operating Activities				
692,660	Receipts of council funding	347,330	345,329	2,001	692,659
700	Receipts of grants other	700	-	700	-
312,500	Receipts from sale of goods and services	37,442	91,700	(54,258)	147,700
360	Interest receipts	118	180	(62)	360
(841,280)	Payments to suppliers and employees	(330,176)	(438,900)	108,724	(841,280)
(20,000)	GST (net)	76,190	25,000	51,190	(20,000)
144,940	Net Cash Flows from Operating Activities	131,604	23,309	108,295	(20,561)
	Cash Flows from Investing and Financing Activities				
(50,000)	Payments to acquire property, plant and equipment	(8,451)	(25,000)	16,549	(75,000)
(50,000)	Net Cash Flows from Financing Activities	(8,451)	(25,000)	16,549	(75,000)
94,940	Net Increase/(Decrease) in Cash for the Year	123,153	(1,691)	124,844	(95,561)
130,067	Add opening bank accounts and cash	223,259	130,067	93,192	130,067
225,007	Closing Bank Accounts and Cash	346,412	128,376	218,036	34,506

BASIN RESERVE TRUST
CASH FLOW PROJECTION
For the quarter ended: 31 December 2020

Forecast FYE 30-Jun-21		Actual Qtr to 31-Dec-20	Budget Qtr to 31-Dec-20	Variance Qtr to 31-Dec-20	Budget FYE 30-Jun-21
\$		\$	\$	\$	\$
Current Assets					
225,007	Bank accounts and cash	346,412	128,376	218,036	34,506
52,542	Debtors	117,733	27,500	90,233	35,200
277,549		464,145	155,876	308,269	69,706
To Be Applied As Follows:					
71,500	Creditors and accrued expenses	241,553	151,297	(90,256)	110,707
12,000	Income received in advance	-	-	-	12,000
83,500		241,553	151,297	(90,256)	122,707
194,049		222,592	4,579	218,013	(53,001)
Commitments					
-	Net Turf Management 2020/21	67,514	96,300	28,786	-
-	Capital Additions	36,400	50,000	13,600	-
-		103,914	146,300	42,386	-
194,049	Funds Available (Deficit)	118,678	(141,721)	260,399	(53,001)

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE QUARTER ENDED 31 DECEMBER 2020

Forecast FYE 30-Jun-21	Income	Actual Qtr to 31-Dec-20	Budget Qtr to 31-Dec-20	Variance Qtr to 31-Dec-20	Budget FYE 30-Jun-21
	Grant Income				
694,659	Grant Wellington City Council	347,330	347,329	1	694,659
700	Grant Other	700	-	700	-
<u>695,359</u>		<u>348,030</u>	<u>347,329</u>	<u>701</u>	<u>694,659</u>
	Ground Hire Income				
155,980	Ground Hire International Cricket	50,095	-	50,095	-
65,000	Ground Hire Domestic Cricket	32,500	30,000	2,500	57,500
1,200	Ground Hire Winter Sports	-	-	-	1,200
68,430	Ground Hire Other Events	49,400	11,400	38,000	18,400
<u>290,610</u>		<u>131,995</u>	<u>41,400</u>	<u>90,595</u>	<u>77,100</u>
	Other Income				
30,000	Concession Income	15,000	15,000	-	30,000
10,000	Rent	10,000	5,000	5,000	10,000
3,500	Picket Fence Income	2,017	300	1,717	600
<u>43,500</u>		<u>27,017</u>	<u>20,300</u>	<u>6,717</u>	<u>40,600</u>
	Interest Income				
360	Interest income	118	180	(62)	360
<u>1,029,829</u>	Total Income	<u>507,160</u>	<u>409,209</u>	<u>97,951</u>	<u>812,719</u>

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE QUARTER ENDED 31 DECEMBER 2020

Forecast FYE 30-Jun-21	Expenditure	Actual Qtr to 31-Dec-20	Budget Qtr to 31-Dec-20	Variance Qtr to 31-Dec-20	Budget FYE 30-Jun-21
Building Expenses					
10,000	Repairs & Maintenance	877	6,000	5,123	12,000
10,500	Cleaning	5,786	5,250	(536)	10,500
12,000	Electrical Services	6,779	2,400	(4,379)	7,000
12,000	Fire System	8,170	3,500	(4,670)	7,000
3,000	Painting	85	2,500	2,415	5,000
10,500	Pest Control	4,915	5,250	335	10,500
1,500	Plumbing	80	-	(80)	1,500
1,200	Other	913	200	(713)	400
<u>60,700</u>		<u>27,605</u>	<u>25,100</u>	<u>(2,505)</u>	<u>53,900</u>
Ground Expenses					
2,000	Electrical Services	-	200	200	2,000
-	Equipment Hire	-	-	-	1,500
2,000	Cleaning	63	200	137	2,000
2,000	Irrigation	-	-	-	2,000
3,500	Painting	2,123	1,300	(823)	3,500
2,500	Plumbing	530	1,250	720	2,500
14,000	Rubbish Removal	7,625	6,000	(1,625)	13,000
12,000	Structures Repairs & Maintenance	3,157	9,000	5,843	18,000
390,000	Turf	197,486	197,500	14	418,800
<u>428,000</u>		<u>210,984</u>	<u>215,450</u>	<u>4,466</u>	<u>463,300</u>

**BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE QUARTER ENDED 31 DECEMBER 2020**

Forecast FYE 30-Jun-21		Actual Qtr to 31-Dec-20	Budget Qtr to 31-Dec-20	Variance Qtr to 31-Dec-20	Budget FYE 30-Jun-21
	Occupancy Expenses				
8,500	Gas	4,717	4,250	(467)	8,500
27,000	Electricity	13,127	13,500	373	27,000
40,000	Rates	20,413	20,000	(413)	40,000
14,000	Security	6,723	8,000	1,277	16,000
8,000	Telephones & Internet	2,572	4,500	1,928	9,000
16,500	Water Rates	1,219	6,500	5,281	16,500
4,000	Television	-	-	-	2,500
1,200	Insurance	1,205	-	(1,205)	1,300
25,000	Consumables Laundry & Toilet	13,536	10,000	(3,536)	20,000
<u>144,200</u>		<u>63,512</u>	<u>66,750</u>	<u>3,238</u>	<u>140,800</u>
	Event Running Expenses				
118,500	Event Running	27,918	10,000	(17,918)	20,000
<u>118,500</u>		<u>27,918</u>	<u>10,000</u>	<u>(17,918)</u>	<u>20,000</u>
	Administration Expenses				
14,500	Audit	(276)	-	276	14,500
12,000	Accounting	6,000	6,000	-	12,000
120	Bank Fees	62	40	(22)	80
15,000	Consultants	(1,423)	10,000	11,423	20,000
100,000	Management Fee	50,000	50,000	-	100,000
<u>141,620</u>		<u>54,363</u>	<u>66,040</u>	<u>11,677</u>	<u>146,580</u>

**BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE QUARTER ENDED 31 DECEMBER 2020**

Forecast FYE 30-Jun-21		Actual Qtr to 31-Dec-20	Budget Qtr to 31-Dec-20	Variance Qtr to 31-Dec-20	Budget FYE 30-Jun-21
	Other Expenses				
-	Interest Expense	-	-	-	-
5,000	Marketing	776	1,500	724	6,000
3,000	Miscellaneous	1,532	250	(1,282)	500
1,000	Picket Fence Expenses	518	100	(418)	200
-	Grant Wellington City Council	-	-	-	-
<u>9,000</u>		<u>2,826</u>	<u>1,850</u>	<u>(976)</u>	<u>6,700</u>
	Depreciation Expense				
90,000	Depreciation Expense	37,752	59,000	21,248	118,000
<u>90,000</u>		<u>37,752</u>	<u>59,000</u>	<u>21,248</u>	<u>118,000</u>
<u>992,020</u>	Total Expenditure	<u>424,960</u>	<u>444,190</u>	<u>19,230</u>	<u>949,280</u>
<u>37,809</u>	Net Surplus (Deficit) for the Period	<u>82,200</u>	<u>(34,981)</u>	<u>117,181</u>	<u>(136,561)</u>

**BASIN RESERVE TRUST
MANAGEMENT ACCOUNTS COMMENTARY
FOR THE QUARTER ENDED 31 DECEMBER 2020**

Income

1. Ground Hire International Cricket - Didn't budget for any International Cricket hosting due to Covid-19.
2. Ground Hire Other Events - Didn't budget for any Other Event hosting due to Covid-19.
3. Rent - Timing difference, in that the full years rent has been received from Cricket Wellington, whereas only budgeted for half of the annual rent.

Expenditure

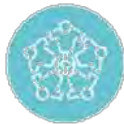
1. Building Repairs & Maintenance - Timing difference.
2. Ground Structures Repairs & Maintenance - Timing difference.
3. Occupancy Water Rates - Timing difference.
4. Event Running - Didn't budget for any International Cricket hosting due to Covid 19.
5. Consultants - Timing difference.
6. Depreciation - Opening balance of depreciable property was less than anticipated.



Report to the Wellington City Council CCO Performance Committee Second Quarter ending 31 December 2020.



**A PLACE THAT TREASURES
HE WĀHI TAONGA**



**A PLACE THAT ENGAGES
HE WĀHI KŪHUNA**



**A PLACE FOR LEARNING
HE WĀHI MĀTAURANGA**



**A PLACE THAT EMPOWERS
HE WĀHI WHAKAMAHA**

Highlights

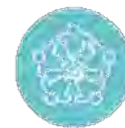
- ZEALANDIA's membership programme continues to grow, reaching 17,892 members by 31 December.
- ZEALANDIA launched the online gift shop in November 2020 providing the opportunity for members and visitors in New Zealand to buy products from the gift shop without needing to visit.
- Schools that cancelled or postponed visits during the COVID-19 affected terms two and three have been visiting in large numbers, and we have had our third-biggest month ever.
- ZEALANDIA collaborated with the six iwi of the Wellington Region, as well as Ōtari Wilton's Bush, to bring a taonga species, te pua o te Reinga (*Dactylanthus taylorii*), to ZEALANDIA.



Pua o te Rēinga Dactylanthus taylorii. Photo credit: Manaaki Barrett

VISITOR EXPERIENCE

During the December quarter, ZEALANDIA hosted 29,210 visitors, up 29% on the SOI target and down 25% on last year. ZEALANDIA hosted approximately 300 international visitors during the December quarter compared to an estimated 15,000 international visitors at the same time last year. Visitation to ZEALANDIA from domestic tourism has increased from an estimated 6,000 visitors in the December quarter 2019 to an estimated 9,000 visitors in the December 2020 quarter. The greatest increase has occurred from visitors from Auckland, Hawkes Bay and Christchurch.



A PLACE THAT EMERGES
OF WAIH MĀHURUA

ZEALANDIA's tours sales to the local and domestic market have been challenging. We will continue to monitor sales and look for opportunities to increase uptake of these products over the remainder of summer.

Visitor Comments

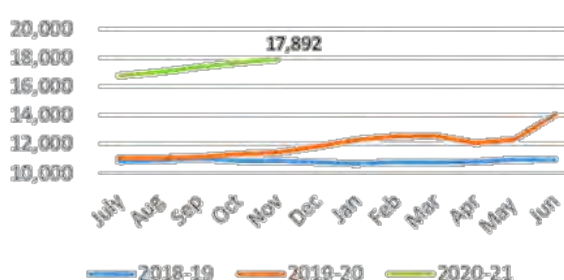
"Fascinating to take our three to ZEALANDIA. On the face of it you'd think a 2-hour guided bush walk would not be of any interest to them, but we were pleasantly surprised: it even made a top 3 best things list at the end of our trip. Impressive to see all the birds and Tuatara so close up, and great to have a knowledgeable and passionate guide: a definite must so you know what you're looking at and can understand what has been achieved in this remarkable place." – ZEALANDIA visitor Oct 2020

"Wonderful place to explore NZ native bush and see native birdlife and tuatara. We saw 13 tuatara, kaka feeding, bellbirds, tui, whiteheads, kereru and others all courtesy of a 9km predator-proof fence. Fantastic experience. You can easily spend the day there enjoying the natural environment." – ZEALANDIA visitor Nov 2020

Visitor Numbers



Total Members



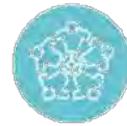
Visitor Demographics Q2	2019	2020
Local	31%	40%
Rest of North Island	15%	44%
South Island	6%	15%
Australia	12%	0%
Asia Pacific	5%	0%
Europe	19%	1%
United States & Canada	10%	0%
Rest of the World	2%	0%

Membership

At 31 December, ZEALANDIA membership grew to 17,892 members, up from 17,355 members at 30 September. As a result of the growth in the number of visitors, visits by members has increased by 18% to 9,133 visitors in the December quarter when compared to the same time last year.

MEDIA

The translocation of the pua o te Rēinga/*Dactylanthus taylorii* became a major media focus this quarter, with substantial stories published on TVNZ, Stuff and Radio New Zealand. These focused both on the plant, but also on the knowledge exchange and relationship building aspects of the project.



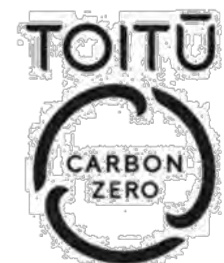
A PLACE THAT ENGAGES
HE WĀHĀ HĀHĀHĀHĀ

There was also significant interest around the vandalism of our fence in October, in which a small hole was cut into the perimeter fence, in particular on our incursion response and implications.



SUSTAINABILITY

We have successfully achieved Toitū carbonzero certification for the sixth consecutive year. Our emissions in 2019/20 were 66.35 tCO₂e, which is 26% lower than last year's total of 89.29 tCO₂e and 38% lower than the base year total of 107.31 tCO₂e. The high reduction in emissions this year is due to our two electric passenger buses and the impact of closing the sanctuary for seven weeks due to the COVID-19 lockdown.



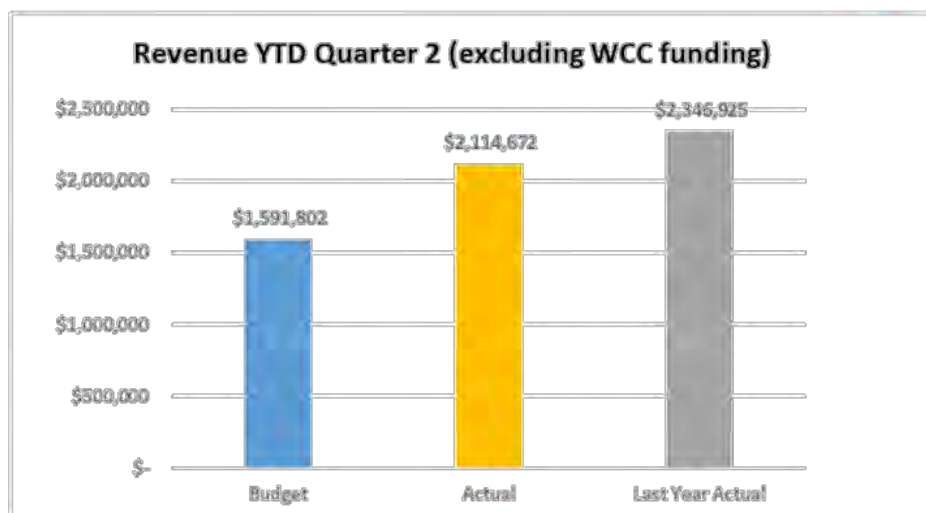
FINANCIAL SUSTAINABILITY

Revenue

Overall, revenue performance (excluding the WCC funding) is \$2,114,672 against a budget of \$1,591,802. Revenue YTD is \$232,253 (10%) lower than last year at the end of quarter two.



A PLACE THAT TREASURES
HE WAI TAONGA



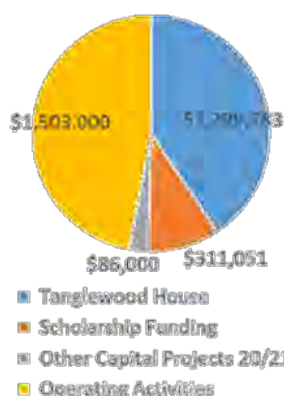
Operating Surplus (Deficit)

The quarter two YTD result for net operating surplus (deficit) before depreciation is tracking favourably by \$209,339 mainly due to unbudgeted government grants income of \$375,000.

Working Capital

As at 31 December, we have a working capital balance of \$3.2m and these funds are earmarked to support the following key areas.

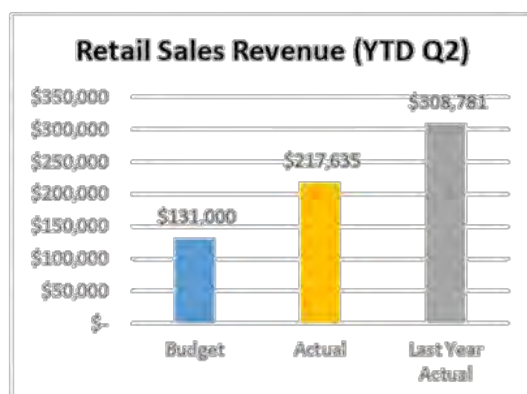
Allocation of Working Capital Balance of \$3.2m



Our policy is to retain a minimum of 12 weeks' working capital (\$1.2m) for operations activities, we are currently tracking above this target with a balance of \$1.5m as at 31 December 2020..

Retail

Retail sales totalled \$217,635, down 30% on last year. The drop in retail sales is as a direct consequence of the reduction in international visitors to ZEALANDIA. However, the retail store has exceeded the sales budget by 65% due to strong sales in the lead up to Christmas and the launch of the online store in November 2020.

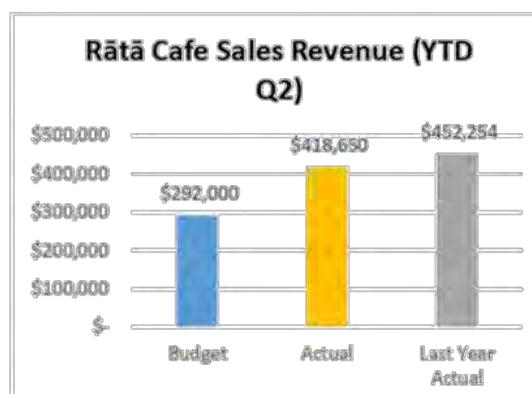


Rātā Café

Rātā Café sales revenue totalled \$418,650, down 8% on last year. Sales were lower due to the impact of the redevelopment of the Rātā Café balcony that reduced seating space available during October and November. We have experienced strong café sales since the balcony was reopened.



**A PLACE THAT TREASURES
HE WĀHI TAONGA**



STRATEGY & GOVERNANCE

Our AGM held at the end of October was attended by over 100 members. Paul Wilson was declared as the new member-appointed Guardian replacing the vacancy left by Julia Bracegirdle. Hon. Grant Robertson, Mayor Andy Foster and Dr Danielle Shanahan made up a panel for a discussion at the end of the meeting to contemplate the question, *"How can we recover our economy from COVID-19 in such a way that we better care for the environment and our biodiversity and build a truly sustainable future for following generations?"*.

VOLUNTEERS

The final volunteer seminar for the year focused on the pua o te Rēinga/*dactylanthus taylorii* translocation, and was well attended with over 40 volunteers braving the weather to come. The seminar provided information about the translocation from three different perspectives; iwi engagement, communication and conservation. Our speakers, Terese McLeod (Lead Ranger, Bicultural Engagement), Gini Letham (Lead Ranger, Science Communications) and Aaria Dobson-Waitere (Project Leader, Sanctuary to Sea), provided insights into the anatomy of a translocation. Departing from the regular format, the lively panel discussion was stimulating and engaging for the audience who actively participated by sharing additional feedback and asking a range of questions.



A PLACE THAT EMPOWERS
HE WHAKAMANA



Aaria Dobson-Waitere
Photo Credit: Rahiri Edwards-Hammond



Terese McLeod
Photo Credit: Rahiri Edwards-Hammond



Gini Letham
Photo Credit: Rahiri Edwards-Hammond

LEARNING

October and November have seen a return to visitation patterns of previous years, prior to impact of COVID-19. November has been particularly busy with schools re-booking from earlier in the year as well as having to complete programming for participating schools in the Nature at Your Place programme. We have been well supported by our team of casual education staff. Schools and Early Childhood Education groups have taken full advantage of all aspects of our offer: day sanctuary visits, night sanctuary visits (including sleepovers) and outreach. We have strong demand already for term 1 in 2021, especially for secondary schools.

We now have a full complement of staff in the learning team. The Education Programmes Ranger, as well as the Learning Programmes Ranger, are building and consolidating on existing programmes into 2021 while the Visitor Experience and Community Engagement Rangers are developing entirely new programming tranches to support both existing and underserved audiences to ZEALANDIA.

CONSERVATION

Pua o te reinga/Woodrose (*Dactylanthus taylorii*) makes its way to ZEALANDIA

The endemic species of forest root parasite plant, pua o te Reinga/Woodrose (*Dactylanthus taylorii*), was reintroduced into ZEALANDIA Te Māra a Tāne in October, in partnership with Otari Wilton's Bush and all six iwi from the Wellington region. Seeds were harvested in Pureora Forest Park and propagated in sites throughout the sanctuary. The translocation received great attention from a range of news networks, which highlights the important role that ZEALANDIA has in sharing knowledge about New Zealand's less known species.

Photo: From left, Karin van der Walt (Ōtari Wiltons Bush), Terese McLeod (Taranaki Whanui and ZEALANDIA Lead Ranger Bicultural Engagement), Aaria Dobson Waitere (Taranaki Whanui and ZEALANDIA Conservation Kaitiaki ranger) looking at a seed germinating experiment at the Ōtari Wilton Bush seed lab.



A PLACE THAT TREASURES
HE WĀHI TAONGA



Photo Credit: ZEALANDIA



Titipounamu/rifleman gathering nesting material. Photo Credit: Melissa Boardman

A successful second titipounamu breeding season

New Zealand's smallest bush bird, titipounamu/rifleman, were translocated into the sanctuary in 2019. This year we have seen a second highly successful breeding season, suggesting at this point the translocation has been a success. We detected ZEALANDIA-hatched birds from the previous season breeding, and a total of 58 fledglings were banded. The total number of fledglings is much higher than this with many natural nests observed.

This is a really great result, and an exciting indication of just how well this species might do in the sanctuary.

Our partnership with the Zoo's The Nest Te Kohanga produces great results

Our partnership with the Zoo means sick and injured wildlife have a chance of rehabilitation through The Nest Te Kohanga facility. This year several animals have been released again in the sanctuary following recovery from various ailments; this includes a hihi that was attacked beyond the fence by a cat. Most recently the zoo took care of a hihi chick that was suffering from some obstruction in the air sac. This chick has now been released into a surrogate nest, and we are unaware of this having been tried with the species before. This kind of cutting edge conservation work is a testament to dedicated and skilled staff at both the zoo and ZEALANDIA.



Hihi/stitchbird being very vocal. Photo Credit: Melissa Boardman



Takahē nest not successful

The takahe pair at ZEALANDIA did attempt to nest this year, but unfortunately the chick failed to hatch fully. We are unable to determine why this happened, but it does highlight the ongoing challenges that threatened species conservation is up against. This is likely the last year we will see a nest from this retired pair, though there is a chance of additional young takahē being introduced to the sanctuary in the future.

RISK MANAGEMENT

We regularly monitor our known and potential risks using the standard risk methodology, as detailed in the following table.

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

Of our major risks, we have identified 0 low risks, 0 medium risks and 4 high risks. All high risks have been mitigated.

MEASUREMENT AGAINST TARGETS IN THE SOI 2020/21

Non-Financial Performance Measures (Quarterly Targets)

Measure	2020/21 Quarter 2		2020/21 Annual	
	Actual	Target	Actual (YTD)	Target (YTD)
Visitation	29,210	22,701	63,507	32,794
Education Visits ¹	2,479	3,547	3,699	5,472

¹Education visits are also included in total visitation numbers above.

Non-Financial Performance Measures (Annual Targets)

Measure	Actual YTD	Annual Target 2020/21
Individual Members	17,892	11,200
Number of Volunteers	521	>490
Volunteer Satisfaction Survey	88%	> 80%
Percentage of Satisfied Visitors	94%	>95%

Financial Performance Measures

Measure	Actual YTD	Annual Target 2020/21
Full cost per visitor (including WCC costs) ²	TBC	\$15.29
Average subsidy per visit (Total WCC operating grant/all visitors)	\$7.08	\$12.85
Average revenue per visitation (excludes Council & Government grants)	\$26.71	\$27.01
Non-Council donations/funding	\$235,506	\$200,000
Net surplus (deficit) before depreciation and tax	\$266,659	\$57,320
Non-WCC grant revenues as a % of overall revenue	82%	>75%
Membership subscription revenue	\$242,770	\$324,700

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

MEASUREMENT AGAINST TARGETS IN THE SOI 2020/21

Conservation Programme (Annual Targets)

Measure	Target	YTD Actual	Comment
Manawaroa. We actively restore ecosystem function to foster resilience			
Number of fauna or flora species transferred into or out of the sanctuary, or 'topped up'	1	1	Target achieved. Pua o te Reinga, <i>Dactylanthus taylorii</i> , was translocated from Pureora in the first quarter
Percentage of the bird community that is native	80%	94%	Target met. Measured in October.
Kaitiakitanga. We look after what we have alongside our many partners.			
% of incursions into the mouse-free area eradicated, or under active response	100%	100%	On track, mouse prints were found in October and later a mouse was trapped. Further mouse prints were found in December and the intruders were trapped. No indication since.
Mice maintained to target level	<10	1	Target achieved. Mouse operation completed in July 2020, and index well below target level.
% pest animal incursions successfully eradicated, or under active response	100%	100%	Currently a precautionary incursion response is underway. No indication of intruders so far.

Measures against Strategy Areas

Strategic Initiatives	Key performance indicators for 2020/21	Tracking 2020/21
A place that treasures - He Wāhi Taonga		
Implement the Sanctuary to Sea strategy with partners to achieve tangible outcomes for people, the forest and the water.	Removal of perch from the lower reservoir on track according to project plan.	On track.
Carry out perch removal in the lower lake, and progress key wetland restoration initiatives.	Partnerships with at least 10 community groups are active in the Sanctuary to Sea project.	On track.
Building our organisation's capacity to drive transformation.	A net surplus before depreciation and tax of \$57,320	On track. The quarter two YTD result for net operating surplus (deficit) before depreciation is tracking favourably by \$209,339 mainly due to unbudgeted government grants of \$375,000.
Support ongoing cultural health monitoring carried out by mana whenua.	Non-WCC grant revenues equating to >75% of overall income	On track. We currently have Non-WCC grant revenues equating to 82% as at end of quarter one.
Develop smart initiatives to grow our people (staff, volunteers and interns), support systems and enduring financial vitality.	Membership subscriptions of \$324,700	On track. YTD income of \$242,770 and expected to meet target by year end.
Continue to identify and implement opportunities to reduce waste through initiatives to reduce, reuse and recycle and to reduce our carbon footprint in line with the WCC's Te Atakura First to Zero Policy.	Full cost per visitor (including WCC costs) TBC	Awaiting YTD full cost (including WCC costs) figure from WCC.
Maintain our Carbon Zero accreditation and deliver good sustainability practices across the whole of the organisation.	Average WCC subsidy per visitor of no more than \$12.85	On track. Tracking favourably to target at \$7.08 as at 31 December.
Redevelop the ZEALANDIA website to provide a more relevant and integrated user experience across all aspects of our work including visitation, education, research, members and supporters. (On hold)	Average revenue per visitor of no less than \$27.01	Tracking lower at \$26.71 but expected to meet target at year end.

Strategic Initiatives	Key performance indicators for 2020/21	Tracking 2020/21
<p>Improve the facilities of the Pāteke Room conference facilities by installing sound proofing and conference lighting. (On hold)</p> <p>Improve the dining experience in Rātā Café by converting the balcony into a year-round facility and undertaking a refresh of furniture and décor.</p>	Non-Council donations/funding of \$200,000.	Achieved. YTD income of \$235,506 as at 31 December.
A place that engages - He Wāhi Huihuinga		
Continue development and delivery of signage and interpretation upgrades alongside overall visitor experience planning.	Visitor numbers – 70,000 separate visitations with breakdown of visitor demographics.	On track. ZEALANDIA has hosted 63,507 visitors and is on track to achieve the full year SOI target.
Continue to provide activities and experiences for young people and families.	ZEALANDIA achieves a visitor satisfaction rating of 95% or greater.	On track. ZEALANDIA visitor satisfaction rating was 97% as measured from Trip Advisor and Google reviews feedback and 91% as measured by GetSmart.
Continue to grow our range of programmes and offerings to reach a wider cross-section of Wellington's diverse communities.	9,000 education engagements	On track. Affected by Level 2 restrictions amongst schools but tracking close to target. A very busy November has got us back towards our target.
Increase engagement opportunities for those with differing accessibility needs in line with the WCC Accessible Wellington Action Plan 2019.	11,200 members.	On track. ZEALANDIA had 17,892 members as at 31 December 2020.
We will participate in international research gatherings (e.g. workshops) to share our knowledge and solidify partnerships. (On hold)	Maintain > 490 volunteers and the range of avenues for people to volunteer.	Achieved. 521 volunteers currently in system across wide range of ages and backgrounds.
We will grow our corporate and philanthropic partnerships through key initiatives such as the Centre for People and Nature.	> 80% of volunteers are satisfied with their relationship with ZEALANDIA.	Achieved. 88% satisfaction in 2020 survey.
A place for learning - He Wāhi Mātauranga		
Continue to grow and integrate Mātauranga Māori perspectives into all elements of ZEALANDIA project and programme development processes.	<p>Deliver visitor, staff and volunteer programmes and activities for Matariki and Māori Language Week.</p> <p>Deliver activities and opportunities for staff and volunteers to increase their knowledge and confidence in te reo and te ao Māori.</p>	<p>Achieved.</p> <p>On track. Internal development tools and processes being developed.</p>

Strategic Initiatives	Key performance indicators for 2020/21	Tracking 2020/21
Develop and grow relationships that enable closer partnerships with iwi and integration of Mātauranga Māori.	Incorporate bicultural and bilingual content in all new permanent signage and interpretation materials.	On track
Continue research focussed on understanding how changes to Wellington's biodiversity is affecting people, and how community-led conservation can gain environmental outcomes.	Research programme on the relationship between people and nature in Wellington continues, with significant outputs in support of Predator Free Wellington and Wellington City Council.	On track
Raise funds to support and expand our formal and informal education programmes, with a focus on opportunities for those less able to access conservation experiences and learning.	Continue to deliver valley-based and outreach learning programmes under our Ministry of Education LEOTC contract.	On track
A place that empowers - He Wāhi Whakamana		
Extend the reach of ZEALANDIA'S work and impact through partnerships and participation in community awareness and engagement programmes and projects beyond the fence.	Continue to expand the range of programmes and activities offered to schools and young people.	On track
Provide learning and development opportunities for volunteers 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.		

FINANCIAL PERFORMANCE

Detailed financials are attached.

Profit and Loss

Karori Sanctuary Trust Inc.

For the 3 months ended 31 December 2020

	OCT-DEC 2020	JUL-SEP 2020
Income		
Trading Income		
Admissions	191,514	100,856
Membership	129,907	112,863
Other trading revenue	528,465	384,644
Bad and Doubtful Debts Recovered	-	2,139
Total Trading Income	849,886	600,502
Other Operating Income		
WCC Grant	224,800	224,800
Living Wage WCC Funding	48,637	48,637
Sponsorships, grants and donations	501,256	152,965
Total Other Operating Income	774,693	426,402
Non-Operating Income		
Interest Income	5,321	4,741
Total Non-Operating Income	5,321	4,741
Total Income	1,629,900	1,031,645
Operating Expenses		
Salaries and Wages	901,430	810,693
Cost of Goods Sold	145,327	97,610
Other Operating Expenses	153,979	94,606
Trustee Expenses	32,986	32,724
Administration Costs	76,198	49,333
Total Operating Expenses	1,309,920	1,084,966
Net Surplus/(Deficit) before Depreciation and Tax	319,980	(53,321)
Other Expenses		
Depreciation Expense	88,773	88,862
Total Other Expenses	88,773	88,862
Net Profit	231,207	(142,183)

Balance Sheet

Karori Sanctuary Trust Inc.

As at 31 December 2020

31 DEC 2020

Assets

Current Assets

Bank	4,031,358
Accounts Receivable	27,746
Prepayments	60,139
Stock on Hand	66,891
Total Current Assets	4,186,134

Fixed Assets	2,963,660
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Total Assets	7,149,794
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Liabilities

Current Liabilities

Accounts Payable and Accruals	251,511
GST	50,913
Holiday Pay Accrued	143,812
Income in Advance	540,056
Total Current Liabilities	986,292

Total Liabilities	986,292
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Net Assets	6,163,502
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Equity

Accumulated Funds	6,163,502
Total Equity	6,163,502

Statement of Cash Flows

Karori Sanctuary Trust Inc.

For the 3 months ended 31 December 2020

	OCT-DEC 2020	JUL-SEP 2020
Operating Activities		
Receipts from customers	1,400,681	1,645,088
Payments to suppliers and employees	(1,331,704)	(1,286,093)
Interest received	5,321	4,741
Cash receipts from other operating activities	(54,978)	(76,684)
Net Cash Flows from Operating Activities	19,320	287,051
Investing Activities		
Payment for property, plant and equipment	(14,525)	(55,457)
Net Cash Flows from Investing Activities	(14,525)	(55,457)
Net Cash Flows	4,795	231,594
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	4,024,450	3,792,856
Cash and cash equivalents at end of period	4,029,245	4,024,450
Net change in cash for period	4,795	231,594



WELLINGTON CABLE CAR LIMITED

PO Box 25094, Wellington 6140
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Phone: +64 (4) 473 2721

Friday, 08 January 2021

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

Dear Committee,

WCCL QUARTERLY REPORT (FY 2020-21 Q2)

It has been a challenging quarter for the Cable Car. Visitation during October School Holidays was about 33% lower than the previous year, and we saw more visitors during the two weeks in the July holidays than there were in the October holidays. Poor weather during the weekends kept visitors away, even in early December when there were activations in the CBD trying to entice Christmas Shoppers.

November proved to be our slowest month this financial year, and thus far, it is the only month we have not reached the budgeted passenger and revenue targets.

These slow times have offered us an excellent opportunity to develop new products and offerings to a changing clientele. In conjunction with our whanau at Experience Wellington, we developed and launched **TAKE A RED ROCKET TO SPACE**. Targeted to regional Wellingtonians and providing a 20% discount when purchased online, this has proven to be a big success.

The product was launched in Mid-November and has sold more than 230 tickets in Q2. A great success and illustration on collaborative work between the two CCOs.



The Cable car saw an opportunity to re-engage with schools and tamariki, and in collaboration with the Educational Teams at Cable Car Museum or Space Place, developed an experiential-based tour to complement schools visits. This was successfully tested in December and will be offered to schools during the new year.



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

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Web: www.wellingtoncablecar.co.nz

WCCL 2020-21 Q2 Report

SOI / Business Plan Targets

Revenue	October	November	December	Q2 Total
SOI Target	\$ 131,570	\$ 134,461	\$ 130,604	\$ 396,635
Actual	\$ 186,632	\$ 128,804	\$ 164,060	\$ 479,496
Q2 Variance	\$ 55,062	\$ 5,657	\$ 33,456	\$ 94,175

Passenger Numbers	October	November	December	Q2 Total
SOI Target	41,672	42,621	42,668	126,961
Actual	60,791	41,086	53,214	155,091
Q2 Variance	19,119	-1,535	10,546	28,130

Reliability	October	November	December	Q2 Total
SOI Target	99%	99%	99%	99%
Actual	99.96%	99.91%	99.68%	99.85%
Q2 Variance	0.96%	0.91%	0.68%	0.85%

Cesar Piotto
Chief Executive

Wellington Cable Car Limited
 Profit and Loss for the Period Ended 31 December 2020

WELLINGTON CABLE CAR

	Actual 2020 - Qtr 2 \$000	Budget 2020 - Qtr 2 \$000	Variance 2020 - Qtr 2 \$000	Actual 2020 - YTD \$000	Budget 2020 - YTD \$000	Variance 2020 - YTD \$000	Budget 2021 / 2021 - Total \$000	Pre Covid Budget 2021 / 2021 - Total \$000
Cable Car Income	472	335	137	786	502	283	1,438	3,548
Cable Car Operations	58	107	49	127	214	87	434	421
Cable Car Maintenance	38	48	10	264	280	16	349	637
Cable Car Wages	339	344	5	649	688	40	1,376	1,583
Depreciation	73	75	2	147	150	3	300	300
	508	574	66	1,187	1,332	146	2,459	2,941
Operating Surplus / (Loss)	(36)	(239)	204	(401)	(830)	429	(1,022)	607
Sundry Income	8	62	(54)	74	123	(50)	247	108
External Activities Operating Contribution Surplus / (Loss)	8	62	(54)	74	123	(50)	247	108
Total Operating Contribution Surplus / (Loss)	(28)	(177)	149	(327)	(707)	379	(774)	715
Administration Expenses	229	256	27	490	511	22	911	697
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) BEFORE TAX	(257)	(433)	177	(817)	(1,218)	401	(1,686)	18
Tax Expense	(72)	0	(72)	(228)	0	(228)	0	12
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) AFTER TAX	(185)	(433)	249	(589)	(1,218)	629	(1,686)	6
The Total Surplus / (Loss) After Tax Consists of:								
Total Income	480	397	84	859	625	234	1,685	3,656
Total Expenditure	(665)	(831)	166	(1,448)	(1,844)	396	(3,371)	(3,650)
	(185)	(433)	249	(589)	(1,218)	629	(1,686)	6
	0	0	0	0	0	0	0	(0)

Wellington Cable Car Limited
Statement of Financial Position
As at 31 December 2020

	2021		2020	
	\$	\$	\$	\$
ASSETS				
Current Assets				
Bank Accounts Total	2,798,053		4,206,525	
Inventory	296,982		114,992	
Accounts Receivable less Provision	31,777		77,130	
Sundry Debtors & Prepayments	275,896		238,672	
RWT Deductions	49,217		21,753	
Total Current Assets		3,451,926		4,659,072
Fixed Assets				
Cable Car & Civil Works				
Cable Car Equipment (2%)	7,541,365		7,735,304	
Cable Car Equipment (10%)	884,222		872,905	
Cable Car Tracks & Wires	1,474,548		1,467,684	
Furniture & Fittings	45,053		85,186	
Computer Equipment	83,589		311,390	
Computer Software	34,900		217,712	
Overhead Equipment			79,506	
Overhead Wire System				
Motor Vehicles	68,851		228,907	
Fixed Asset Clearing Account	175,028		145,551	
Accumulated Depreciation	(2,850,900)		(3,455,004)	
Total Fixed Assets		7,456,655		7,689,142
TOTAL ASSETS		10,908,581		12,348,215
LIABILITIES				
Current Liabilities				
Accounts Payable	230,525		130,768	
Accruals	239,821		172,395	
GST TOTAL	14,228		55,711	
PAYE Suspense	(0)		25,355	
Prebilled charges TOTAL	28,977		413,575	
Credit Card	2,119		2,058	
Covid-19 Wage Subsidy				
Total Current Liabilities		515,670		799,863
Non Current Liabilities				
Provision for Income Tax	(297,823)		(148,015)	
Deferred Tax Liability	703,587		1,024,366	
Sundry Creditors				
Telecom Lease/Rentals				
Total Non Current Liabilities		405,765		876,351
TOTAL LIABILITIES		921,435		1,676,214
NET ASSETS		9,987,146		10,672,000
SHAREHOLDER'S FUNDS				
Ordinary Shares	7,434,846		7,434,846	
Retained Earnings	3,235,366		3,535,002	
Revaluation Reserve				
Tax on Equity Items				
Less: Dividend Paid	(94,306)		(94,306)	
Current Year Earnings	(588,760)		(203,541)	
TOTAL SHAREHOLDER'S FUNDS		9,987,146		10,672,000

**Wellington Cable Car Limited
Statement of Cashflows
For the Period Ended 31 Dec 2020**

	Period Ended 31 December 2020
Cash flows from operating activities	
<u>Cash was received from:</u>	
Operating receipts	1,012
<u>Cash was disbursed to:</u>	
Payments to suppliers and employees	(2,052)
Payment of Tax	(15)
Subvention Payment	-
GST	95
Net cash inflow / (outflow) from operating activities	(961)
Cash flows from investing activities	
<u>Cash was received from:</u>	
Investments	-
Interest received	35
Sale of Fixed Assets	-
<u>Cash was applied to:</u>	
Purchase of fixed assets	(62)
Net cash inflow / (outflow) from investing activities	(27)
Cash flows from financing activities	
<u>Cash was received from:</u>	
Term Loan	-
<u>Cash was applied to:</u>	
Payment of Dividend	(0)
Term Loan	-
Net cash inflow/(outflow) from financing activities	(0)
Net Increase/(decrease) in Cash held	(988)
Opening Cash Balance	3,786
Closing Cash Balance	2,798

**Wellington Cable Car Limited
Cashflow Reconciliation Statement
For the Period Ended 31 Dec 2020**

	Period Ended 31 December 2020
Net Profit/(Loss) before tax	(817)
Add non cash items:	
Movement in provision for impairment of doubtful debts	-
Depreciation	147
Impairment/valuation	-
(Gain)/Loss on Assets sold/disused	-
	(670)
Add / (deduct) movements in Working Capital:	
(Increase) / Decrease in accounts receivable & other assets	180
Increase / (Decrease) in accounts payable & other accruals	(465)
(Increase) / Decrease in inventory	34
Add / (deduct) investing activities:	
Net (gain) / loss on sale of assets	3
Net (receipt) / payment interest income	(27)
Net receipt / (payment) withholding tax	(15)
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	(961)

Experience Wellington 2020-21

Quarter Two Visitor Numbers & Highlights Report to Council

as at 31 December 2020



Visitor Numbers

Institution	2020-21 Target	YTD Visitor Numbers	% of Annual Target	Q2 Target	Q2 Visitor Numbers Achieved	% of Q2 Target
City Gallery Wellington	56,200	44,778	80%	13,400	24,327	182%
Wellington Museum	56,000	48,369	86%	12,500	26,055	208%
Capital E	45,500	27,330	60%	12,500	16,545	132%
Cable Car Museum	79,000	56,986	72%	17,500	35,032	200%
Space Place	24,000	21,482	90%	6,000	11,299	188%
Nairn Street Cottage	1,000	107	11%	250	107	43%
TOTAL	261,700	199,052	76%	62,150	113,365	182%

NB. All sites, with the exception of Nairn Street Cottage, fully reopened under normal operating hours from 6 July 2020.

Our 2020-21 targets are based on a COVID-19 operating environment of closed borders and no international visitors.

QUARTER TWO – OCTOBER, NOVEMBER, DECEMBER 2020

Commentary on Variation Against Target:

182% of the Q2 target (62,150) was achieved with 113,365 visits: a total of 76% of the annual target for 2020-21. This compares to Q2 of 2019-20 with 356,897 visits or 54% of the 2019-20 annual target (*noting no impact from COVID-19 in Q2 of 2019-2020*).

- **City Gallery Wellington:** Visitor numbers tracking well, with 182% of Q2 target achieved.
- **Wellington Museum:** Targeted marketing and adjusting offerings for our domestic visitors has resulted in 208% of the Q2 target being achieved.
- **Capital E:** Numbers are just over half from the previous year (which included Hannah Playhouse), Q2 target achieved.
- **Cable Car Museum:** Exceeded our expectations for the quarter, achieving 200% of the forecasted target, though still significantly lower than the same period last year due to no international visitors.
- **Space Place:** School bookings have picked up, and domestic visitor numbers increasing. 188% of Q2 target achieved.
- **Nairn Street Cottage:** Reopened at the end of October with visitor numbers only slightly lower than the same period last year.

Programme Highlights:

- **Wellington Museum's** extremely successful *Mittens* exhibition closed in October. *The Residents* book was successfully launched at the Museum, consisting of an evening with the author and a panel discussion. After months of negotiation and preparation, *Suffrage in Stitches* was delivered to Te Manawa in Palmerston North (set to open in early 2021), and we hope to secure further venues from there.
- **Space Place** A joint promotion between the Cable Car and Space Place *Take a Red Rocket to Space* was launched: a combined discounted fare to both the Cable Car and Space Place entry. *Sci-Fi Sunday's* ran over three consecutive Sunday's in December.
- **City Gallery Wellington:** The sell-out *Aitu Ball* on 1 October was an outstanding success, with vogueurs from Auckland and Wellington taking part, extremely positive feedback was received from FAFSWAG and participants. Two new shows by New Zealand artists opened at the Gallery: *Zac Langdon-Pole: Containing Multitudes* and *Simon Ingram: The Algorithmic Impulse*. The opening weekend included events and talks for a range of stakeholders.
- **Capital E's** *The Lost Letter Office* premiered at Te Raukura kī Kāpiti to 463 young theatre-goers. The first part of the tour to 15 national centres has welcomed over 4,000 children. The team also hosted two film-shoots for the *Making of the Lost Letter Office* documentary. This will be used as a resource for funders, schools, and partners.

Priority Projects:

- **The Navigators Project:** Filming took place pre-Christmas, and post-production will begin in the new year. Completion of the Project is set for May 2021, with a launch in June 2021, close to Matariki. As much as possible, all production talent for the Navigators project will be drawn from the Wellington creative ecosystem.
- Planning for **City Gallery Wellington's** next high value international art exhibition continues. The exhibition is set to be on display between 4 December 2021 – 27 March 2022. Both Council and Wellington NZ remain supportive, and these new dates let us scoop up the Christmas holidays, the Arts Festival, and Women's Cricket World Cup.

Experience Wellington 2020-21 Quarter 2 Visitor Numbers and Highlights Report to Council, as at 31 December 2020

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- **Staff accommodation** remains a priority, and the urgency to address this was reflected in our recent staff engagement survey. We continue to look at a number of options under limited financial constraints.
- **Wellington Museum Development:** Recent meetings have taken place with trustees, senior staff, consultants, and Council's Property Director. As a result, management worked with the building consultants to scope a phased approach to the 'above ground' works already included as an option in the project business case for consideration in Council's LTP process.
- **Future E:** The Capital E senior team met with the Wellington City Library team in October for an initial workshop to explore synergies and potential for collaboration within a refurbished Central Library building. The Chief Executive had a subsequent meeting with Gisella Carr, Council's Head of Arts, Culture & Community Services, to discuss next steps and initiate more focussed workshops for the two teams and Athfield Architects to develop thinking about a 21st Library experience for the city.
- **Business System Review** We are currently working with our technology partner (Gravity Lab) to build a test environment to connect our proposed new retail systems, Vend and Shopify, to our CRM (Salesforce) and our accounting system (Xero). Progress on this is going well and we hope to have confirmation that all systems will integrate before the end of January. We have now selected a ticketing option (Patronbase) and are currently working through the logistics and plan for implementation. We hope to have the first site (Space Place) ready by March 2021.

October School Holidays:

Strong visitor numbers were experienced during the October school holidays, with sell out holiday programmes across the organisation. Overall visitor numbers were down compared to July school holiday programmes, but this was a strong retail period with a good number of donations via Tap & Go.

Dr Sarah Rusholme
Chief Executive

Key Result Indicators 2020-21

Update on Progress against Targets, as at 31 December 2020 (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	2020-2021 Target	2020-2021 Result
City Gallery Wellington	95%	
Wellington Museum	95%	
Capital E	90%	
Cable Car Museum	95%	
Space Place	92%	
Nairn Street Cottage	54%	

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	2020-21 Target	2020-21 YTD Result	Q1 Target	Q1 Result	Q2 Target	Q2 Result	Q3 Target	Q3 Result	Q4 Target	Q4 Result
City Gallery Wellington	56,200	44,778	11,200	20,451	13,400	24,327	13,400		18,200	
Wellington Museum	56,000	48,369	9,000	22,314	12,500	26,055	20,500		14,000	
Capital E	45,500	27,330	9,250	10,785	12,500	16,545	9,750		14,000	
Cable Car Museum	79,000	56,986	17,500	21,954	17,500	35,032	25,500		18,500	
Space Place	24,000	21,482	4,000	10,183	6,000	11,299	8,000		6,000	
Nairn Street Cottage	1,000	107	0	0	250	107	500		250	
Experience Wellington Total	261,700	199,052	50,950	85,678	62,150	113,365	77,650		70,950	

*City Gallery visitation may be affected by earthquake strengthening of the Town Hall.
Targets reflect the current COVID-19 environment of closed borders and no international visitors.*

Key Result Indicators 2020-21

Update on Progress against Targets, as at 31 December 2020 (Q2)



Virtual Visitation: The total number of unique user visits to institutional web/mobile sites.

Virtual Visitation	2020-21 Target	2020-21 YTD Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	78,000	42,400	20,115	22,285		
Museums Wellington	110,000	69,546	38,090	31,456		
Capital E	35,000	28,209	15,227	12,982		
Experience Wellington Total	223,000	140,155	73,432	66,723		

Social Media Profile: A snapshot of Facebook friends, Instagram and Twitter followers.

Social Media Profile	2020-21 Target	Q1 Snapshot	Q2 Snapshot	Q3 Snapshot	Q4 Snapshot
City Gallery Wellington	41,500	41,744	42,125		
Museums Wellington	13,500	13,902	14,468		
Capital E	9,500	9,395	9,521		
Space Place	10,800	10,376	10,502		
Nairn Street Cottage (FB page only)	-	549	562		
Experience Wellington Total	75,300	75,966	77,178		

The target for Museums Wellington and Nairn Street Cottage is a combined target of 13,500

Repeat Visitation: the number of visitors who have visited the institution at least once in the previous twelve months.

Repeat Visitation	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	50%	28%		
Wellington Museum	35%	78%		
Capital E	80%	58%		
Cable Car Museum	31%	43%		
Space Place	31%	46%		

NOTE: This KRI is not included in the 2020-21 SOI but we will continue to monitor repeat visitation internally as a management tool.

Key Result Indicators 2020-21

Update on Progress against Targets, as at 31 December 2020 (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 the Visitor Experience	2020-21 Target	2020-21 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	88%		83%*	88%		
Wellington Museum	90%		88%	86%		
Capital E	90%		93%	97%		
Cable Car Museum	80%		83%	81%		
Space Place	90%		88%	91%		
Nairn Street Cottage	90%		N/A	-		

*Over this quarter very little visitor data (43 surveys) was collected at City Gallery Wellington due to a combination of lower attendance and higher repeat visitation.

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	2020-21 Target	2020-21 YTD Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	4,500	1,400	467	933		
Museums Wellington	3,500	2,093	629	1,464		
Capital E	10,000	7,487	1,664	5,823		
Space Place	3,000	2,664	948	1,716		
Experience Wellington Total	21,000	13,644	3,708	9,936		

Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

Please note that the Capital E numbers for the table Children & Young People Visiting for a Learning Experience include our education experiences (Digital offerings are funded by LEOTC, National Theatre for Children is funded by Creative New Zealand).

Key Result Indicators 2020-21

Update on Progress against Targets, as at 31 December 2020 (Q2)



OUR SUSTAINABILITY

Non-Council Revenue: The total amount of revenue generated from non-Council sources.

Trading (\$'000)	2020-21 Target	2020-21 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	99	120	37	83		
Museums Wellington	144	267	128	139		
Capital E	127	74	28	46		
Space Place	136	245	104	141		
Sub Total	506	706	297	409		
Sub-letting, Interest & Other	30	1	1	1		
Experience Wellington Total	536	707	298	409		
Fundraising (\$'000)	2020-21 Target	2020-21 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	395	213	115	98		
Museums Wellington	100	77	45	32		
Capital E	942	378	153	225		
Space Place	485	54	26	28		
Experience Wellington Total	1921	764	339	425		

Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

**A number of projects scheduled for FY2019-20 were postponed due to COVID-19 restrictions and have been rolled over into FY2020-21.

Spend per Visitor: Visitor related revenue (admissions and sales).

Spend per Visitor (\$)	2020-21 Target	2020-21 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	1.76	2.68	1.83	3.40		
Museums Wellington	1.06	2.53	2.80	2.27		
Capital E	2.79	2.69	2.60	2.75		
Space Place	5.67	11.42	10.24	12.48		
Experience Wellington Total	1.93	3.55	3.48	3.60		

Museums Wellington includes Wellington Museum, Cable Car Museum and Nairn Street Cottage.

Key Result Indicators 2020-21

Update on Progress against Targets, as at 31 December 2020 (Q2)



OUR PEOPLE

	2020-21 Target	2020-21 Result
Health and Safety	No preventable serious harm incidents involving workers or visitors as defined by the Health and Safety at Work Act 2015.	

	2020-21 Target	2020-21 Result
Staff Satisfaction	At least 77% of staff are engaged with the organisation as indicated through the annual Staff Engagement Survey.	

OUR HERITAGE

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).

	2020-21 Target	2020-21 Result
New to the Collection	200	
Collection Assessment	800	
Collection Accessibility	10%	

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.

Key Result Indicators 2020-21

Update on Progress against Targets, as at 31 December 2020 (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 (\$)	2020-21 Target	2020-21 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	43.34	27.45	28.30	25.50		
Museums Wellington	15.52	10.10	11.33	8.79		
Capital E	39.26	36.10	39.36	32.63		
Space Place	23.56	8.88	9.37	8.44		
Experience Wellington Total	29.47	19.58	22.53	17.35		

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 – 22%

Space Place – 4.9% plus the cash underwrite

Central services provided through the Executive Office – 17.1%

Table 2: Full subsidy per visit inclusive of Council's ownership costs

Full Subsidy per Visit (\$)	2020-21 Target	2020-21 Result
City Gallery Wellington	46.87	
Museums Wellington	16.79	
Capital E	42.46	
Space Place	23.56	
Experience Wellington Total	31.93	

Council's estimated ownership costs are supplied by Council.

Statement of Financial Performance

Experience Wellington

For the 3 months ended 31 December 2020

	DEC QTR ACT	DEC QTR BUD	YTD ACTUAL	YTD BUDGET	FULL YR BUDGET	2019 YTD
Trading Income						
Trading Income	408,406	161,251	706,641	287,733	775,478	1,233,277
WCC Operating Grant	1,930,377	1,930,215	3,860,754	3,860,430	7,720,868	3,745,440
WCC Rental Subsidy	442,345	442,251	884,490	884,502	1,769,004	884,490
Sponsorship and Donations	101,390	15,999	123,177	94,498	276,496	45,789
Grants Other	323,739	297,936	640,622	625,179	1,644,737	654,798
Investment Income	647	4,280	1,486	15,000	30,000	20,525
Other Income	1,866	25,964	1,906	51,830	287,758	35,863
Total Revenue	3,208,670	2,877,896	6,219,077	5,819,172	12,504,341	6,620,182
Cost of Sales						
Cost of Sales (Trading Income)	95,005	72,980	220,705	113,676	270,397	344,137
Openings - Exhibitions & Programmes	448	10,000	1,088	20,000	21,290	12,010
Total Cost of Sales	95,453	82,980	221,794	133,676	291,687	356,147
Net Revenue	3,113,217	2,794,916	5,997,283	5,685,496	12,212,654	6,264,035
Operating Expenses						
Employee Costs	1,711,666	1,679,004	3,395,590	3,355,043	6,717,529	3,246,435
Council Rent	334,621	334,707	669,242	669,414	1,338,828	669,242
Exhibitions & Programmes	660,095	305,404	1,026,721	833,834	2,210,543	938,024
Marketing & Promotions	106,106	159,171	173,623	317,761	633,459	287,578
Occupancy Costs	323,857	300,647	616,680	601,017	1,188,918	617,186
Communication Costs	25,830	25,012	50,598	49,796	101,114	67,369
Trustee Fees and Expenses	24,000	23,550	48,000	47,100	94,200	47,030
Technology Costs	37,209	38,843	103,736	90,135	168,381	116,286
Professional Fees	24,872	63,740	41,275	127,477	254,967	44,111
Administration Fees	49,462	55,643	84,396	111,117	212,688	109,482
Depreciation	126,489	129,951	255,955	259,902	519,800	261,642
Interest	12	-	12	-	-	-
Total Operating Expenses	3,444,030	3,115,672	6,465,828	6,462,596	13,440,427	6,404,384
Net Surplus/(Deficit)	(330,813)	(320,756)	(468,545)	(777,100)	(1,227,773)	(140,349)

Quarterly Statement of Financial Performance Experience Wellington

Statement of Financial Performance (Executive Office)

Experience Wellington

For the 3 months ended 31 December 2020

Institution is 10 Trust Office.

	QTR ACT	QTR BUD	YTD ACTUAL	YTD BUDGET	FULL YR BUDGET	YTD 2019
Trading Income						
Trading Income	-	-	304	-	-	2,038
WCC Operating Grant	1,834,963	1,834,875	3,669,926	3,669,750	7,339,508	3,558,499
Sponsorship and Donations	17	-	80	-	-	5
Grants Other	5,000	-	5,000	-	-	10,000
Investment Income	647	4,280	1,486	15,000	30,000	20,525
Other Income	4,800	-	1,500	-	-	-
Grants - Living Wage	36,140	-	36,140	-	-	40,000
Total Revenue	1,881,567	1,839,155	3,714,436	3,684,750	7,369,508	3,631,066
Cost of Sales						
Cost of Sales	168	-	390	-	-	-
Total Cost of Sales	168	-	390	-	-	-
Net Revenue	1,881,399	1,839,155	3,714,046	3,684,750	7,369,508	3,631,066
Operating Expenses						
Employee Costs	592,405	468,996	1,048,131	937,992	1,875,989	333,291
Exhibitions & Programmes	-	-	200	-	-	525
Marketing & Promotions	120,368	146,725	159,734	293,449	586,915	11,871
Occupancy Costs	11,017	20,250	37,395	40,500	81,000	41,093
Communication Costs	7,106	7,200	11,535	14,400	28,800	15,637
Trustee Fees and Expenses	24,000	23,550	48,000	47,100	94,200	47,030
Technology Costs	34,515	27,750	96,504	55,500	111,000	100,033
Professional Fees	10,439	23,700	17,468	47,400	94,800	32,718
Administration Fees	3,801	3,890	7,628	7,280	14,510	7,783
Depreciation	27,910	27,000	58,566	54,000	108,000	56,742
Total Operating Expenses	831,559	749,061	1,485,161	1,497,621	2,995,214	646,723
Net Surplus/(Deficit)	1,049,840	1,090,094	2,228,885	2,187,129	4,374,294	2,984,344

Statement of Financial Performance (Museums Wellington)

Experience Wellington

For the 3 months ended 31 December 2020

Institution is 20 Museum, 22 Naim St, 21 Cable Car.

	QTR ACT	QTR BUD	YTD ACTUAL	YTD BUDGET	FULL YR BUDGET	YTD 2019
Trading Income						
Trading Income						
Admissions	7,537	-	12,619	-	-	24,958
Bar	1,446	-	1,747	-	-	1,812
Membership	-	-	-	-	-	193
Retail Sales	88,352	61,650	178,864	98,639	246,599	372,649
Venue Hire	41,274	12,501	73,308	20,000	50,000	86,292
Total Trading Income	138,608	74,151	266,538	118,639	296,599	485,903
WCC Rental Subsidy	175,456	175,455	350,912	350,910	701,820	350,912
Sponsorship and Donations	7,479	-	15,024	-	-	20,179
Grants	24,657	25,107	62,033	50,214	100,432	39,451
Other Income	111	-	1,883	-	-	4,209
Contractors fees On-charged	153	-	153	-	-	-
Total Revenue	346,464	274,713	696,554	519,763	1,098,851	900,654
Cost of Sales						
Cost of Sales	53,888	44,813	142,751	60,371	152,962	203,202
Openings - Exhibitions & Programmes	120	-	120	-	-	860
Total Cost of Sales	54,008	44,813	142,871	60,371	152,962	204,061
Net Revenue	292,457	229,900	553,683	459,392	945,889	696,593
Operating Expenses						
Employee Costs	281,316	357,765	719,320	715,630	1,436,510	796,160
Council Rent	175,456	175,458	350,912	350,916	701,832	350,912
Exhibitions & Programmes	42,983	49,512	60,228	93,544	206,301	72,954
Marketing & Promotions	(5,173)	5,170	796	8,639	17,101	56,046
Occupancy Costs	88,563	86,051	165,037	171,865	341,732	162,983
Communication Costs	11,047	6,330	25,128	12,684	26,336	26,064
Technology Costs	1,401	4,589	3,435	6,927	11,886	4,656
Professional Fees	5,621	125	5,651	250	510	1,151
Administration Fees	9,369	14,034	19,474	27,792	54,707	32,975
Depreciation	74,148	82,500	148,012	165,000	330,000	156,878
Total Operating Expenses	684,732	781,534	1,498,994	1,553,247	3,126,915	1,660,780
Net Surplus/(Deficit)	(392,275)	(551,634)	(945,311)	(1,093,855)	(2,181,026)	(964,187)

Statement of Financial Performance (Space Place)

Experience Wellington

For the 3 months ended 31 December 2020

Institution is 26 Space Place.

	QTR ACT	QTR BUD	YTD ACTUAL	YTD BUDGET	FULL YR BUDGET	YTD 2019
Trading Income						
Trading Income						
Admissions	80,169	3,100	151,035	39,999	99,999	181,419
Bar	3,874	3,000	8,427	-	-	6,168
Membership	1,478	900	2,828	-	-	2,715
Retail Sales	26,969	17,874	43,915	10,000	25,000	57,116
Venue Hire	28,504	13,800	39,072	12,000	30,000	66,264
Total Trading Income	140,994	38,674	245,278	61,999	154,999	313,682
WCC Operating Grant	95,414	-	190,829	190,680	381,360	186,941
WCC Rental Subsidy	-	159,165	-	-	-	-
Sponsorship and Donations	71	15,000	128	-	-	1,425
Grants	28,255	25,520	54,263	45,305	484,698	31,209
Other Income	-	21,540	-	-	184,000	-
Wages On-charged	-	500	-	-	-	-
Contractors fees On-charged	-	300	-	-	-	-
Total Revenue	264,735	260,699	490,498	297,984	1,205,057	533,257
Cost of Sales						
Cost of Sales	16,380	18,024	32,655	7,600	19,000	16,530
Openings - Exhibitions & Programmes	-	10,000	-	-	-	347
Total Cost of Sales	16,380	28,024	32,655	7,600	19,000	16,877
Net Revenue	248,354	232,675	457,842	290,384	1,186,057	516,380
Other Income						
WCC Underwrite	2,336	-	2,336	-	-	988
Total Other Income	2,336	-	2,336	-	-	988
Operating Expenses						
Employee Costs	242,722	409,395	351,529	392,320	784,772	356,396
Exhibitions & Programmes	173,828	105,795	206,817	52,188	130,756	28,957
Marketing & Promotions	(1,247)	9,150	139	26,750	59,703	37,733
Occupancy Costs	16,967	225,249	35,022	42,622	85,224	35,824
Communication Costs	878	5,850	3,755	5,060	10,322	5,655
Technology Costs	-	4,200	2,045	1,200	2,497	808
Professional Fees	-	900	373	-	-	-
Administration Fees	3,439	19,870	7,274	10,328	19,654	10,771
Depreciation	761	8,700	1,522	5,502	11,000	3,209
Total Operating Expenses	437,348	789,109	608,476	535,970	1,103,928	479,353

Statement of Financial Performance (Space Place)

	QTR ACT	QTR BUD	YTD ACTUAL	YTD BUDGET	FULL YR BUDGET	YTD 2019
Net Surplus/(Deficit)	(186,658)	(556,434)	(146,298)	(245,586)	82,129	38,014

Capital E

Experience Wellington

For the 3 months ended 31 December 2020

Institution is 30 Capital E.

	QTR ACT	QTR BUDGET	YTD ACTUAL	YTD BUDGET	FULL YR BUDGET	YTD 2019
Trading Income						
Trading Income						
Admissions	38,818	14,331	59,734	30,366	139,908	94,236
Retail Sales	3,046	1,592	5,586	2,630	6,000	7,247
Royalty/Production/Tour fees	348	-	348	-	-	5,707
Venue Hire	3,278	1,500	7,881	3,000	7,500	10,171
Total Trading Income	45,490	17,423	73,549	35,996	153,408	117,361
WCC Rental Subsidy	107,624	-	215,247	-	-	215,247
Sponsorship and Donations	6,019	999	8,594	1,998	3,996	5,924
Grants	219,277	225,181	369,277	458,619	937,526	458,590
Other Income	900	3,624	1,700	7,248	14,496	9,691
Total Revenue	379,310	247,227	668,367	503,861	1,109,426	806,812
Cost of Sales						
Cost of Sales	8,372	6,342	12,838	9,657	26,891	25,951
Openings - Exhibitions & Programmes	328	-	610	-	1,290	1,649
Total Cost of Sales	8,700	6,342	13,448	9,657	28,181	27,600
Net Revenue	370,610	240,885	654,920	494,204	1,081,245	779,213
Operating Expenses						
Employee Costs	182,023	285,444	460,634	569,172	1,140,400	686,518
Exhibitions & Programmes	304,281	124,004	495,037	361,565	1,010,109	421,853
Marketing & Promotions	(5,554)	3,456	740	7,014	15,200	76,016
Occupancy Costs	110,230	107,000	215,549	213,980	426,913	202,664
Communication Costs	694	3,102	1,301	5,952	12,256	5,522
Technology Costs	506	1,704	236	3,408	11,498	3,498
Professional Fees	4,610	-	8,709	-	1,000	2,419
Administration Fees	11,739	13,309	20,605	26,197	45,757	25,871
Depreciation	9,323	9,000	18,647	18,000	36,000	17,254
Development (FMC)	(446)	-	-	-	-	-
Digital-Marketing & Communications	(8,763)	-	-	-	-	-
Total Operating Expenses	610,644	547,019	1,221,457	1,205,288	2,699,133	1,441,615
Net Surplus/(Deficit)	(240,034)	(306,134)	(566,538)	(711,084)	(1,617,888)	(662,402)

Statement of Financial Performance (City Gallery)

Experience Wellington

For the 3 months ended 31 December 2020

Institution is 40 City Gallery.

	QTR ACT	QTR BUD	YTD ACTUAL	YTD BUDGET	FULL YR BUDGET	YTD 2019
Trading Income						
Trading Income						
Admissions	7,704	3,100	16,599	6,700	11,400	14,910
Bar	6,415	3,000	6,736	6,000	12,000	8,556
Membership	87	900	674	1,200	3,600	1,000
Retail Sales	49,382	17,874	72,017	28,998	76,773	89,804
Royalty/Production/Tour fees	-	-	-	-	11,500	16,569
Venue Hire	19,006	13,800	24,047	27,600	55,200	53,478
Total Trading Income	82,594	38,674	120,072	71,098	170,473	184,316
WCC Rental Subsidy	159,165	159,165	318,330	318,330	636,660	318,330
Sponsorship and Donations	87,804	15,000	99,351	92,500	272,500	17,602
Grants	10,410	25,520	113,910	71,040	122,080	75,548
Other Income	-	21,540	757	42,882	85,962	35,600
Wages On-charged	1,228	500	1,228	1,100	2,100	2,255
Contractors fees On-charged	-	300	-	600	1,200	-
Total Revenue	341,199	260,699	653,646	597,550	1,290,975	633,652
Cost of Sales						
Cost of Sales	16,182	18,024	32,047	36,048	71,546	75,432
Openings - Exhibitions & Programmes	-	10,000	358	20,000	20,000	9,154
Total Cost of Sales	16,182	28,024	32,405	56,048	91,546	84,586
Net Revenue	325,017	232,675	621,241	541,502	1,199,429	549,066
Operating Expenses						
Employee Costs	413,199	409,385	815,976	817,455	1,634,910	922,351
Exhibitions & Programmes	159,002	105,795	264,439	326,540	863,380	412,559
Marketing & Promotions	4,662	9,150	11,953	18,500	114,600	101,645
Occupancy Costs	256,247	225,249	481,006	450,398	890,746	468,945
Communication Costs	6,105	5,850	8,880	11,700	23,400	10,651
Technology Costs	787	4,200	1,516	23,100	31,500	6,833
Professional Fees	-	900	428	1,800	3,600	5,676
Administration Fees	21,113	19,870	29,061	39,520	78,060	27,775
Depreciation	13,078	8,700	26,649	17,400	34,800	26,948
Total Operating Expenses	874,193	789,109	1,639,907	1,706,413	3,674,996	1,983,384
Net Surplus/(Deficit)	(549,177)	(556,434)	(1,018,666)	(1,164,911)	(2,475,567)	(1,434,318)

Statement of Financial Position

Experience Wellington
As at 31 December 2020

	31 DEC 2020	30 JUN 2020
Assets		
Fixed Assets		
Property, plant and equipment	1,911,486	2,120,232
Collections and Artefacts	2,338,816	2,338,816
Intangible assets	51,119	63,754
Total Fixed Assets	4,301,422	4,522,803
Non-Current Asset		
Legacy Investment with Nikau Foundation	259,528	259,528
Total Non-Current Asset	259,528	259,528
Current Assets		
Inventory	157,344	195,443
Trade and other receivables	198,559	321,674
Cash and Cash equivalents	1,639,101	1,553,484
Total Current Assets	1,995,005	2,070,602
Debit Card - CGW	(100)	-
Debit Card - Wellington Museum	(7)	-
Debit Card - Trust Office	5	-
Debit Card - Capital E	(620)	-
Credit Card - Carolyn Mettrick	(555)	-
Total Assets	6,554,677	6,852,932
Liabilities		
Current Liabilities		
Trade and other payables	2,257,594	2,089,708
Employee benefits	317,517	317,401
Total Current Liabilities	2,575,111	2,407,109
Total Liabilities	2,575,111	2,407,109
Net Assets	3,979,566	4,445,823
Equity		
Reserves	2,567,064	2,564,776
Retained earnings	1,412,502	1,881,047
Total Equity	3,979,566	4,445,823



Our Purpose:

To make the Wellington Region wildly famous

Creating a strong Wellington recovery proposition/narrative

Activities that
create confidence
and vibrancy

Activities that
directly stimulate
spend

Activities that
supports businesses

Reimagining the future

Our Statement of Intent 2020-2023 recognises that activities this year and beyond need to be responsive to a changing world brought about by the impact of the Covid-19 pandemic.

Our actions are focussed on the immediate stimulation of the economy and particularly for those most highly impacted sectors while still supporting innovation, businesses projects that will develop future growth of the Wellington regional economy that can be enabled in a sustainable manner



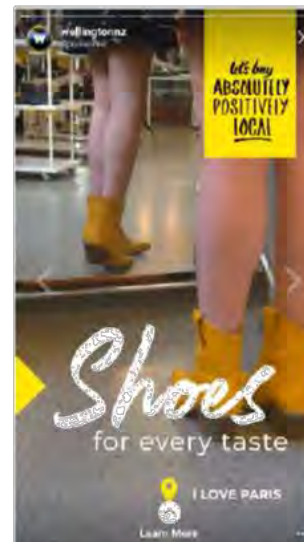
Love Local: The Heart of the CBD

In September and October 2020, we launched Love Local: Heart of the CBD (the Lambton Quay edition). This campaign celebrated the awesome small businesses in and around the Lambton Precinct. It drove people to the area, at a time when more Wellingtonians were working from home and encouraged them to spend in-store and support 'absolutely positively local'.

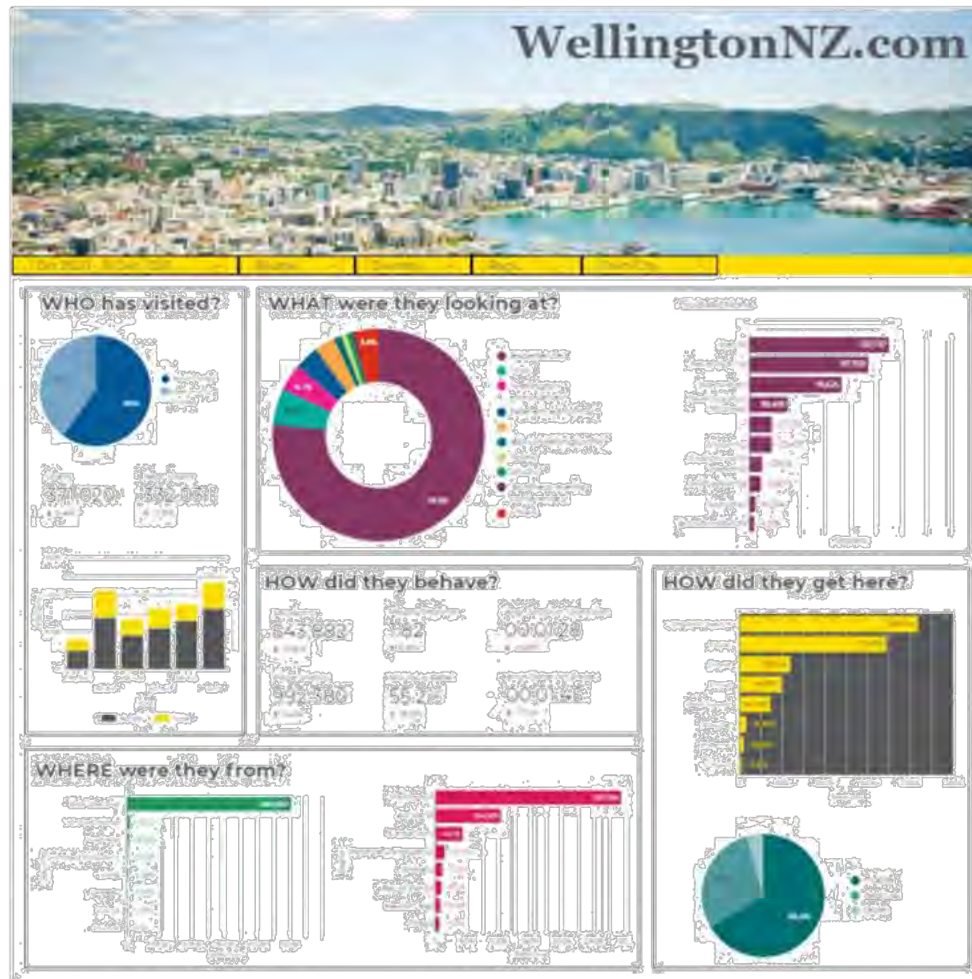
Through a Hero Video and supporting physical and digital assets, we showcased the diversity of the awesome personalities behind local businesses, in a quick, high-energy tour around the Golden Mile.

The campaign delivered pleasing results:

- 506,237 video views on YouTube/TVNZ OnDemand/social
- Social posts reached 324,386 people
- 16,799 views on the WellingtonNZ.com landing page over a 1-month period, with an average time on page being 2:24
- Most popular content was 'where to eat in the CBD' – leading to great referrals to our eat & drink content



Digital marketing - WellingtonNZ.com performance



New pages of WellingtonNZ.com were developed to add content that would boost local confidence in communities and attract customers to businesses. Two marketing campaigns - Wild Weekends and Love Local - bring people to these webpages.

332,300 people used our website in the quarter, an increase of 53% on the previous quarter. Collectively these people viewed nearly 1 million pages.

We reached more than **4.2 million people** between October and December on Facebook, **up 190%** from the previous quarter.

Great imagery of our city and region drove growing Instagram activity and following with more than 40k interactions over the quarter.

Local Media Coverage

Locally our own content continues to perform well, with our total subscribed audience across social media and eDMs growing to 562,298, an increase of over 19,000 subscribers in the previous quarter.

To further support the businesses in our region, WellingtonNZ placed 86 business and corporate stories in the local media during Q2.

Highlights included the Big Bledisloe Weekend shortly after Lockdown rules were relaxed and coverage for the ever-popular Wellington Advent Calendar.

Of particular note is the extensive coverage and interest shown in the media of local company Hot Lime Labs

New tech diverts carbon dioxide from waste wood for use in horticulture

Wellington City Council



Producers look to satisfy the growing demand for greener food

Trustworthy, accurate and reliable news stories are more important than ever. Support our newsrooms by making a contribution.

A Lower Tech tech company is bringing new technology that can extract carbon from waste wood to use in greenhouses to help produce glow berries.

Commercial greenhouse growers use carbon dioxide to increase crop growth and production by up to 30 per cent, but most of carbon emissions are not clean enough to use safely on plants.

It is hoped the low-cost, renewable source of carbon dioxide will lead to reduced food-related emissions for the sector.

Hot Lime Labs, the company behind the tech, took years to perfect the process that extracts clean carbon dioxide from waste wood, such as wood chips.

Regional Trails Framework



The Wellington Regional Trails Framework supports **well-being outcomes for residents** to enjoy whilst raising the profile of our region to **visitors** as an **attractive place to live, work, visit and study**. The Wellington Region is recognised as a world-class trail destination in a post COVID-19 world in which local and **domestic tourism is of increased importance**.

The Trails Framework is a pillar of our **Regional Destination Development Strategy** and integrated into district Destination Development Strategies. The Trails Framework supports our region delivering on the **SOLGM Well-being Framework Indicators**

Funding Update: 10 out of the 11 partner agencies have **agreed to fund this project for another 3-years**. The project has **delivered on all of the first 3-year project actions**. The **Remutaka Cycle Trail** has successfully obtained **3-year MBIE 50% funding for a 0.5 FTE dedicated Trail Manager**, who commenced in November and is making great progress to amplify the marketing, stakeholder management and product development for the trail and roll out the Experience Plan.

Creating **Signature Trail interpretation videos** during March and April, they supported with engaging web page content to attract visitors to the trail and adjacent trail hospitality and trail businesses. Achieved 2,200 spring **photo competition** entries (up 50% from last year, winning photos on right).

Commercial product gap analysis report in draft. Porirua Adventure Park stage one build has commenced. A new national level NZCT Connector Ride in Wainuiomata has opened. Working with key trail event operators to apply for new major event funding. **Product development:** Working with Capital Kiwi, Pūkaha National Wildlife Centre and Zealandia with **Trail Voluntourism commercial product development**.

Working with partner agencies and NZTA Waka Kotahi to work towards a **shared data dashboard** showing trail data from trail counters and STRAVA to gauge **trail visitation trends**, to inform investment decisions.



UNESCO Wellington City of Film

Delivering the UNESCO Wellington City of Film project enables WellingtonNZ to link together youth and talent development work in the arts and creative sector with the business of making films in a way that increases the profile of the city and region and in particular the importance of Māori and Pacific story telling through screen production.

- The official launch of Wellington UNESCO City of Film introduced the designation to the sector and community. Guests were welcomed by Ngā Taonga and a great range of speakers and supporters including Deputy PM Grant Robertson.
- Wellington hosted the first meeting of the three UNESCO Creative Cities in Aotearoa.
- Academy Award TM winning producer and writer Phillipa Boyens was appointed City of Film Ambassador. Mayor Andy Foster (as Wellington Mayor) is the other City of Film Ambassador.
- UNESCO City of Film has formed a partnership with VAKA (a Māori/Pasifika owned business) to deliver creative entrepreneurial workshops for young Māori and Pasifika screen creatives.
- Wellington digital design company Chrometoaster and UNESCO City of Film have teamed up to develop a prototype and pitch for an Augmented Reality film heritage trail for Wellington.



L to R Tanya Black(UNESCO City of Film), Andrea Fua and Jesse Armstrong (VAKA) signing the partnership agreement between the two organisations



Deputy PM Grant Robertson speaks at the Wellington UNESCO City of Film launch event.

International student engagement

Although attracting international students remains a challenge, our institution and Education NZ partners are collaborating to develop long term high impact pathways for international students to contribute to the regional economy.

- WellingtonNZ ran 3 **'Work Ready'** online webinars for International Student in Q1+Q2, **attended by 60 students**. New topics added to the programme include Connecting with Recruiters and LinkedIn training
- The **Alumni Connect Pilot** provided opportunities for **64 tertiary students** to connect with **40 graduate alumni** during April-December 2020. **29 Businesses** were represented in the programme, which we will relaunch at the start of the new study year.
- The new **Employer Connect Pilot** in Nov-Dec was very successful. **11 employers** participated, represented by 74 employees, and **61 students** who joined 10 sessions.

Student Experience

- The **Wellington Student Excellence Awards** had **72 applications** - **23 awards** and **5 commendations** were presented to outstanding students. Two new categories were introduced to reflect the changes incurred during the year: Community Resilience and Online Education Community awards. Families from overseas were able to attend the ceremony via live streaming.

The Wellington Story

- EWI members are now using the **WNZ market toolkit**. The toolkit includes videos and imagery to consistently communicate about the region



Employer Connect event hosted by WellingtonNZ



Excellence Awards ceremony



Love Local: activating Christmas

Love Local was launched earlier in 2020 as a direct activity focused on raising confidence amongst locals and bringing Wellingtonians back into the cities to spend in local businesses.

Building on the success of the Love Local Lambton campaign in spring, we partnered with Wellington City Council in November and December to drive locals into the CBD to shop for Christmas.

To add vibrancy and energy into the CBD, we worked with WCC and First Retail on a range of **pop-up performances**, events and retail offerings, including a very successful **Love Local Pop-Up Shop** featuring an exciting mix of Wellington artisan brands. We also had our **Wellington Volunteer Ambassadors** out on the streets as festive ambassadors, spreading the joy by giving out free Christmas cards and Mojo coffee vouchers to shoppers.

Our \$75k **marketing campaign** featured a range of quirky stopmotion videos to showcase the joy and fun of shopping in-store and a series of themed gift guides on WellingtonNZ.com to inform shoppers about where to buy unique gifts for their friends and family.

The word was spread through videos appearing on TVNZ OnDemand, YouTube and social and through a variety of media partnerships including the Dominion Post and Capitol magazine.

To further boost our Love Local activity, we launched the 11th edition of the Wellington Advent Calendar. Offering all kinds of special deals. The platform was illustrated by local Instagram illustration sensation Kate McGuinness.

We used the Advent Calendar to support the Wellington Community. We turned Calendar artwork into Christmas Cards and auctioned off a special print signed by the hero of 2020, Dr Ashley Bloomfield with all proceeds going to the Wellington Children's Hospital.



Results

- Strong visitation and sales at Love Local shop
- Campaign reached 318k people
- 304,141 views of our video content across YouTube, TVNZ OnDemand and social
- Advent Calendar voucher downloads: 129,283 leading to direct expenditure of \$150,341



Visitor attraction

As Kiwi's are looking to travel more around the country it provides Wellington and every other region with increased opportunity to capture domestic visitor spend. Responding to this, WellingtonNZ carried out a number of marketing campaigns with a clear set of goals to maximise the opportunity:

- Telling a richer, more dynamic story via a new micro travel show
- Working collaboratively with TNZ and regional partners
- Using our strong events programme to help convert interest into booking
- Ensuring the region is being promoted at all times
- All campaigns reinforced through media and influencer enhancement activity

'Never Have I Ever' campaign

We partnered with Tourism NZ, Auckland, Hamilton, Dunedin and Christchurch to develop an urban weekend campaign dubbed "Never Have I Ever".

In partnership with Neat Places, the digital campaign ran throughout October – November, profiling well known locals and their favourite spots. The campaign performed well, generating:

- **107,000 website sessions**
- **3 million organic social reach and 1 million paid reach**
- **2.900 referrals to businesses**

This will be followed up with a larger urban break campaign launching end Jan – end February, following Tourism NZ's "Try Something New, New Zealand" format. This will feature across TV, billboards, social media and radio.



Domestically, we hosted three media and five influencer famils. Highlights include:

- Sarah-Kate Lynch visited Kapiti for a travel story in Scout Magazine.
- Sharon Stephenson wrote a global cuisine story for Kia Ora Magazine
- Jean Teng and Henry Oliver visited Wellington to gather content for Metro Magazine.

‘Wild Weekends’ campaign

The campaign featured not one ad but many. Our new ‘[micro travel show](#)’ features 25x 30 second ‘episodes’ that capture lively and engaging moments from a wild Wellington weekend.

Each episode makes you feel you’re discovering something new about Wellington, versus just showcasing the better-known Wellington tourism experiences.

The campaign ran for 4 weeks before Christmas to push summer travel and generated:

- 350,000+ views across YouTube, TVNZ On Demand, Facebook and Instagram and 13,000+ visits to WellingtonNZ.com/wildweekends

‘There's a Wellington for Everyone’ campaign

We ran the **Wellington for Everyone** regional tourism campaign to attract whānau in drive time areas to Wellington for the October school holidays. The video was viewed 590,000 times Our website content reached 155,000 people with *Family Friendly Activities* and *What's On* content performing highest for drive time and Wellington region resident audiences

Air NZ partnered ‘Grab a Random’ campaign

We worked with **Air New Zealand** on their ‘Grab a random’ promotion, where they found two random (and brave) people on the streets of Auckland and flew them to Wellington for a fun and spontaneous weekend away – and filmed the experience. Aimed at the 20's/30's young professional market to book last-minute domestic weekend breaks, the video on their Facebook post has had 272,000 views.



Business Events Wellington

Recognising the long lead time of booking to larger conference events, we re-activated our sales activity in the Australian market by employing a person in Australia to build business for Wellington from Australia for the future.

Business event activity in Wellington grew significantly from quarter one to quarter two; to maintain this uplift we:

- Updated and refreshed the 'Meet' website pages with a new more user-friendly layout and additional content.
- Commissioned new Business Events photography to support collateral projects and create a new promotional video that includes Tākina.
- Hosted familiarisations for domestic associations, corporate clients and Tourism New Zealand's team.
- Attended the 'BE Reconnected' event to promote Wellington and Tākina to domestic PCOs (Professional Conference Organisers) and Associations.
- In quarter two our team won eight bids for Wellington; six in the domestic market and two from Australia.



Make your next business event unforgettable by choosing Wellington as your destination. New Zealand's compact, connected and creative capital is the perfect destination to host your next conference or incentive.

Major Events

Wellington has been recognised by other regions as being successful at getting events back up and running very quickly. In this quarter we have been successful in acquiring investment of \$3.5m from MBIE's Regional Events Fund to be invested over the next three years

The success of Van Gogh Digital Night's exhibition continued into Q2 with an additional 18,711 enjoying the unique outdoor experience. The exhibition was one of the first large scale events to successfully go live following the lockdown and amassed 41,711 attendees across the show period (Q1 and Q2).

Action returned to the sporting arena as well with Sky Stadium hosting an All Blacks v Wallabies test in October. 31,020 fans enjoyed a thrilling match, with 5,500 fans travelling from outside the Wellington region to attend.

Q2 was boosted further by Wellington on a Plate in which 388 business across the region participated.

Beervana attracted almost 15,000 people – 40% from outside the region, and the Wellington Jazz Festival which were all moved to Q2 in 2020 in response to COVID-19.

New additions, Downtown Shakedown and World of WearableArt Up Close exhibition rounded out the quarter. Downtown Shakedown kicked off Wellington's summer with over 10,000 festival goers enjoying great kiwi music on Waitangi Park.



Venues Wellington: Performance events

Delivered **45 Performance Events** with **58,679 attendees**.

After the Covid-19 level change back to Level 1, activity rapidly ramped back up with over twice as many events as the first quarter.

With promoter confidence growing we delivered a number of sold-out events and other very well attended events including Avantdale Bowling Club as part of the Wellington Jazz festival, 3 sold out Benee shows, Shapeshifter, Tami Neilson, Th' Dudes, Big Laughs with 7 Days LIVE & The 2020 Xmas Comedy Fest Gala w/Urzila Carlson, as well as shows from our resident performing arts hirers Orchestra Wellington, the NZSO and Royal NZ Ballet.

Our promotional channel *Live in WLG* event brand came back strongly with its amalgamation of content with WellingtonNZ.com. Our audience in this channel sits at 32,000 on Facebook in addition to the Dominion Post audience achieved through content placement in 'Your Weekend' and Top 10 things to do articles on Stuff.

Our Live in WLG eDM newsletter is being received regularly by over 30,000 subscribers with a strong average open rate of 25%. We look forward to utilising the newly applied Ticketmaster/Ubiquity database integration system 'Archtics' to become more tactical in our targeted messaging across social media and e-newsletters as well as the return of the *Live In WLG* seasonal campaigns that kick off in Jan 2021.

These marketing activities are all targeted at engaging more Wellingtonians with the exciting and diverse content that is on offer to them through the venues we operate.



Venues Wellington: Business events

Over the quarter, our Events and Experiences team delivered **57 Business Events** with **28,987 attendees**.

Although the confidence wasn't fully back in the industry, National Associations and Local Business saw the value in continuing with their events providing us with much stronger volumes than in quarter one and the local events business ecosystem ticketing over. Common requests continue to include Hybrid (physical/digital) options, floor plan scenarios for different alert levels, and Covid clauses should the event needed to be postponed or cancelled.

Filling the sales pipeline

Venues Wellington hosted a very successful Industry Kickstart Event which attracted key clients and industry members including Tourism New Zealand, Business Events Industry Association and the Australasian Society of Association Executives.

Venues Wellington attended BE Reconnected to sell our venues and generate new business opportunities with National buyers. Key business events generated or confirmed for 2021 are Conference for General Practice 2021, Infrastructure Association – Building Nations Conference 2021 and HiNZ 2021.







Over 1000 businesses received expert assistance programme support

COVID-19 Business Recovery Support

- NZTE's Covid-19 and Tourism Transition funds were distributed by WellingtonNZ. Our team identified businesses across the region negatively impacted by the Covid-19 pandemic and worked with those business to identify and provide the expertise they needed to recover.
- The Covid-19 and Tourism Transition Funds closed in December 2020. In Wellington Region over **1,079 small and medium businesses received funding** to access professional advice in the wake of Covid-19.
- **\$4,300,000 in funding** was issued to SMEs across our region by the Business Recovery team.
- In December this team was disestablished, we said farewell to our contracted staff, and our WellingtonNZ staff returned to their substantive roles.

Supporting Growing and New Businesses in the Region

Regional Business Partner Programme – Growth & new businesses

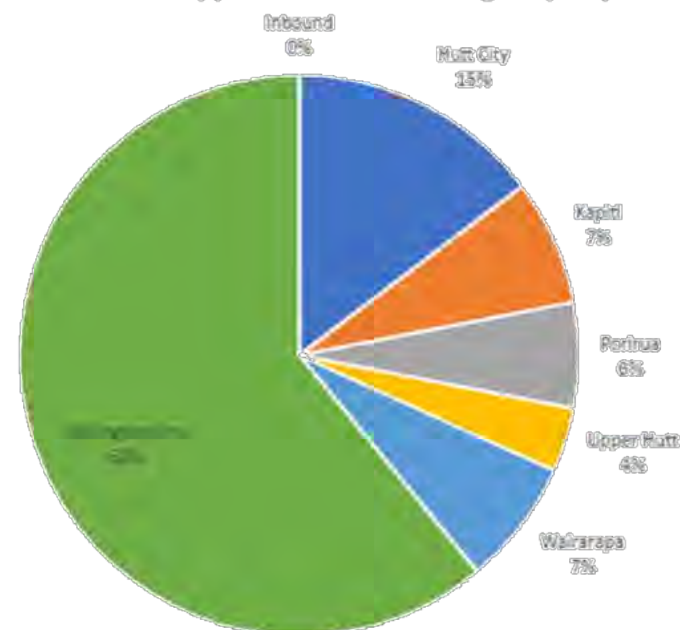
We work with growth sectors in all parts of the region to identify those businesses that will co-invest with NZTE provided funding in, and benefit from expert advice to boost their sustainable growth

- WellingtonNZ has supported **628 regional businesses year-to-date (Jul-Dec)** through the RBP programme, including 274 receiving hands-on support in the form of growth capability development, innovation support and mentorship.
 - 61% of these businesses are located in Wellington City, while 39% are based in other parts of the region.

We work with both start-up and mature businesses to help them identify what they need to build management capability and Research & Development. We facilitate their accessing support from a variety of Callaghan Innovation programmes.

- We have delivered **\$164,000 of Management Capability Funding** and **\$7,200,000 of R&D funding** to businesses in the region (including \$4.9m R&D loans).
 - This funding helps businesses access growth advice and invest in new technology development.

Businesses Supported Across the Region (YTD)



Pakihi Māori Support (Māori Business Support)

Supporting and building the capability of Māori businesses

- **Over 100 Māori businesses contacted WellingtonNZ** for support since July, including start-up businesses, established businesses and those affected by Covid-19.
- Due to this significant increase in demand from Māori businesses, additional resource was employed short term to ensure the additional demand for assistance could be met.
- Many of the Māori businesses who have contacted WellingtonNZ for Covid-19 support will also qualify for support through the RBP capability programme. Identifying and supporting these Māori businesses will be a major focus for the next quarter.



Strengthening the Māori business eco-system

- WellingtonNZ is collaborating with Te Puni Kōkiri and A1 Homes CEO Paul Southey to **establish a Māori Business Network in the Wairarapa**. The first hui was held on 4 November with about 30 people attending in support of establishing a network. A smaller group of local business owners has come together to continue to drive the establishment of the network. WellingtonNZ and Te Puni Kōkiri will look to provide a continuing supporting role to this network.
- In August, WellingtonNZ **hosted representatives from various Māori business support agencies at the Gold Awards**. These agencies, along with WellingtonNZ, had a role in supporting some of the finalists.

Supporting Workforce Development

Regional Workforce Leadership

- WellingtonNZ continues to participate in and be closely engaged with the **Regional Skills Leadership Group**, the **Porirua** Employment & Skills Forum, and the **Wairarapa** Regional Skills Leadership Group

Pathways to Employment

- Summer of Tech** facilitated **186 summer internships** in 2020. Although a reduction from 2019, this is a success as the recruitment period was significantly impacted by the timing of the pandemic lockdown. Additionally, 5 fulltime roles, 3 part time and 3 contract roles were sourced and confirmed from the pool. In the region, **66 employers** took on interns this summer
- Young Enterprise** completed a successful year, demonstrating to students how to pivot and innovatively adapt to the unexpected and difficult circumstances brought about by Covid-19. Participants numbered **319 students** from **19 schools**.

Driving Stakeholder Action

- Education-to-Employment Brokerage (EEBS)** in the **Hutt** and **Wellington** is now firmly established with growing activity providing opportunities for **high school students to engage with industry**. Excellent relationships have been established with the high schools and employers. The second E2E Day in Wellington saw 85 year 9&10 students speaking with 10 employers across the construction and creative arts sectors.



Interns visiting a Summer of Tech business



High School students E2E visit at TradeMe

Screen Wellington – supporting the Film and Screen Sector

Screen Wellington is the Film Office for the Region and serves to boost the economic impact of the screen sector. The core work is providing a one-stop shop for those wanting to film here so that we keep our valuable reputation as being easy to deal with – film friendly. Beyond this core activity we work on opportunities to develop infrastructure for the sector in the region and boost the talent pathways for young people and those working in the sector.

Attraction and facilitation

- Permitting and projects have remained steady through the second quarter with **118 permits for 41 projects welcomed and facilitated**, worth a combined **\$34M**.
- A US studio has been Wellington based since November with several TV and feature film projects in production.
- Several commercials were filmed in Wellington in the run up to Christmas including for *Mitsubishi* and *EECA*.

Screen sector development

- The Lane Street Studio development in Upper Hutt continues with high anticipation for its launch this year, from local and international industry.
- Screen Wellington and Academy Award™ winning producer Chelsea Winstanley were invited to present screen sector investment opportunities at the NZ Angel Investment Summit in Auckland.
- Local virtual production company The Granary received has received national attention recently for their cutting-edge work in this emerging new space.



Chelsea Winstanley speaks to Arch Angels Summit in December 2020



EECA 2020 TV Commercial on Featherston Street

Creative HQ

- **Incubation:**

- 9x new teams in Lightning Lab Incubation, with 5x investable exits and 1x fast fail.
- \$1.25m capital raised by incubation teams in Q2.
- 47% female founders and 12.5% founders identifying as Māori.
- Completion of the Porirua Launch Lab programme with 12x teams.

- **Accelerators:**

- 7x teams from across NZ selected for the **Tourism Design Accelerator 2020**, powered by Lightning Lab and Tourwriter.
- **CleanTech Accelerator** advisory board and partnership with EHF established.
- **Scalable mentoring programme** connecting experts, alumni and founders launched across Lightning Lab programmes.
- 3x **Entrepreneurs in Residence** roles created across Lightning Lab programmes.

- **Enterprise Innovation/GovTech:**

- **GovTech Accelerator completed** – showcase event at Parliament attended by Agency CEs & Ministers – **David Clark, Poto Williams, Damian O'Connor & hosted by Minister Nanaia Mahuta**
- **Innovation Barometer** developed with 4 pilot agencies and was recommended by Paul James and Mark Sowden - **16 agencies to be involved in 2021**
- Te Kahui Raraunga - Co-design of a Māori Data Governance Model
- NZTE Korako - design of new internal operating model
- GWRC - Prioritisation Workshops
- **MOD (Mindset of Design) Wellington** - 42 events across Wellington region (and wider) with 1,108 participant tickets
- **Pōneke Arts Intensive completed** - 10 independent artists and art practitioners in a 9-week accelerator
- HCC Climate Change Co-Design project



Supporting Regional Tourism Businesses

Tourism businesses have been some of the most significantly impacted by Covid-19. Our team is providing these businesses with support and business development/growth opportunities whilst still promoting Wellington to the world through working partnerships with Tourism New Zealand

What have we been doing?

- Facilitated an online expo connecting 31 regional tourism businesses to over 100 frontline staff for upskilling on Wellington product knowledge.
- WellingtonNZ has worked with domestic travel agencies on creating packages for Te Papa's WOW Up Close exhibition. School holidays /weekends are seeing Kiwi's using the i-SITE for tourism and event enquiries and bookings. Event ticket sales have been good at the i-SITE particularly Van Gogh, Six60 and WOW@Te Papa.
- Our domestic promotion through travel agents has focused on 'New NZers' with Chinese, Korean and Indian families exploring the country using travel agents.
- As part of the STAPP Covid-response funding to RTOs from Government, a Domestic Seller toolkit has been developed and is live. This provides resources for New Zealand travel agents to develop and sell Wellington packages.



Going Forward:

- WellingtonNZ continues to work with Tourism New Zealand's offshore offices to 'keep the NZ brand alive' by providing virtual famils and training sessions.
- Health and Safety will continue to be a focus in capability building with our tourism operators.

Tākina - Wellington Convention & Exhibition Centre

The development of Tākina provides Wellington and the region with a substantial opportunity to attract more high value visitors across the whole year whilst at the same time providing our academic institutions, CRI's and associations with a platform to tell our story to visitors from around the world.

- We promoted Tākina at BE Reconnected in Auckland. BE Reconnected was the first Business Events industry event to take place in New Zealand in 2020. It was attended by more than 200 visitors including Associations and Professional Conference Organisers (PCOs). WellingtonNZ partnered the networking reception with a Wellington-inspired menu and had the opportunity to show the Tākina video to all participants and give an update on the progress.
- Completed the following projects:
 - Website completely refreshed with new sitemap, logo, layouts, images and content
 - Updated brochure with new logo, name and content in preparation for BE Reconnected tradeshow
 - A new video promoting Tākina
- Hosted site visits of Tākina for Tourism New Zealand's Business Events team and the editor of Meeting Newz.
- In the process of finalizing brand guidelines in collaboration with WCC



Business / Finance Operations Key Performance Indicators

WellingtonNZ.com

Business Operations

People & Culture

A new **organisation structure** within our Events & Experience team took effect from 1 November 2020. This change was required to ensure we right sized our Venues business as the result of lowered revenue due to Covid-19.

We revisited our decision to delay our 1 July **remuneration review** round and undertook a remuneration review for non SLT members on 1 November. This review was undertaken considering the principles of the State Services Commissioners guidance advice and concentrated around ensuring those either outside their bands or on a lower rate of pay were reviewed.

We continue to focus on **wellbeing and mental health** support and awareness initiatives. A well timed and needed summer shut down for 2 weeks occurred over the Christmas and New Year period.

Our **Cultural Capability** journey continued, alongside Māpuna Consultants, with further hui well attended by staff as they increased their knowledge and understanding of **te ao Māori**. This programme will continue to run during 2021.

Health and Safety

During the period we welcomed a new Health and Safety Lead who has made positive progress in engaging with our largest hirer of Venues to ensure our joint responsibilities are further enhanced. Coming from an operational background, the lens she is providing is assisting us to plan further health and safety initiatives within the areas of biggest risk for the organisation.

IT

The IT team continue to work with WCC's providers, Liquid IT to clean up the **historical IT infrastructure** within the Venues. There have been some delays with the project, but the project has restarted early in Q3

The team have reset goals for 2021 at the end of Q2 and we look forward to further **enhancements** to our teams technological operating environments, including increased security features and further developments with our CRM.

WellingtonNZ Statement of Financial Performance for the 6 months Ended 31 December 2020, including Creative HQ but excluding the Venues Project

STATEMENT OF COMPREHENSIVE INCOME	YTD Actual 31-Dec-20	YTD Budget 31-Dec-20	Variance YTD	FY Budget 30/06/2021
Revenue				
Fee revenue	0	0	0	0
Shareholder grants	11,059,494	10,739,466	319,028	10,437,140
Government grants	1,479,091	600,000	879,091	1,498,884
Partnership	1,439,118	1,439,530	(412)	1,439,100
Commercial / Service	1,214,333	1,152,150	62,183	1,259,149
Subsidiary and company revenue	0	0	0	0
Interest income	11,024	10,750	274	61,000
Other income	55,884	1,058,759	(1,002,875)	2,457,238
Total Revenue	15,804,724	15,454,145	350,579	16,249,749
Direct Costs				
Cost of sales	0	0	0	0
Wages (event staff)	0	0	0	0
Other direct costs	0	0	0	0
Total Direct Costs	0	0	0	0
Operating Expenses (overheads)				
Salaries and wages	5,729,609	6,029,114	(299,505)	10,403,964
Other employment costs	258,288	131,718	126,570	618,819
Occupancy costs	283,200	199,070	84,130	538,630
Marketing / Activity expenses	6,279,111	4,948,709	1,330,402	12,029,933
Utilities	12,656	10,640	2,016	24,000
Travel / communications	218,987	286,132	(67,145)	552,571
Insurance	434	0	434	15,000
Administration costs	259,632	134,237	125,395	138,253
Vehicle expenses	22,931	23,500	(569)	43,200
Travel costs	49,622	54,760	(5,138)	62,760
Professional fees	938,621	89,662	848,959	239,151
Director fees	90,674	109,447	(18,773)	288,872
Other operating expenses	19,270	19,021	249	41,938
Total Operating Expenditure	15,551,450	16,530,221	(978,771)	26,453,219
Total Expenditure	15,551,450	16,530,221	(978,771)	26,453,219
Net Surplus/(Deficit) before Depreciation and Tax	2,253,274	(1,076,076)	3,329,350	(1,003,470)
Finance expense	6,716	17,969	(11,253)	18,000
Depreciation	23,619	138,738	(115,119)	222,958
Movement in revaluation	0	0	0	0
Taxation expense	51,628	0	51,628	0
Net Surplus/(Deficit)	2,246,919	(976,400)	3,070,519	(1,003,470)

WellingtonNZ has had a positive start to the financial year.

Some income that was held as income in advance at the end of the previous financial year can be utilised in this financial year.

Additional revenue has been received via Central Government Covid-19 funding and funds various projects

A greater number of events than budgeted within the Venue's Project have resulted in higher operational wages & salaries within WellingtonNZ, offset by associated management fee. Other salaries and Wages within WellingtonNZ are running below budget and will be reallocated to new initiatives.

Good cost control across other expenditure. Marketing and other activity costs currently below budget as activity delayed due to Covid (ie Australian marketing.) Some funds moved to new upcoming initiatives to compensate.

Initial forecasts show that WellingtonNZ will end the financial year at near budgeted expectations, however detailed forecasting will commence in January 2021.

WellingtonNZ

STATEMENT OF FINANCIAL POSITION – AS AT 31 December 2020

Including Creative HQ and Excluding Venues Project

STATEMENT OF FINANCIAL POSITION	As at 31-Dec-20	As at 30-Jun-20
Shareholders' Equity		
Paid up capital		
Retained earnings	7,307,177	3,541,826
Total Shareholder/Trust Funds	7,307,177	3,541,826
Current Assets		
Cash and cash equivalents	10,181,644	4,658,728
Other current assets	1,460,611	1,952,652
Total Current Assets	11,592,556	6,621,380
Investments	1,569,540	1,569,514
Non-current Assets		
Fixed assets	763,317	815,317
Other non-current assets	28,311	135,362
Total Non-current Assets	851,629	950,679
Total Assets	14,013,725	9,141,573
Current Liabilities		
Accounts payable	362,913	1,166,010
Other current liabilities	6,003,811	4,423,176
Total Current Liabilities	6,366,723	5,579,186
Non-current Liabilities	239,825	20,561
Total Liabilities	6,706,548	5,599,747
Net Assets	7,307,177	3,541,826

Cash holdings higher than usual due to receipt of additional Central Government funding and slower than anticipated cash churn rate. CreativeHQ also in good cash position.

We are holding additional income in advance due to this funding, along with the delay in some programmes, mainly due to Covid-19.

Strong balance sheet, meeting payments as due. No issues. In a strong financial position to undertake planned and new programmes of activity in second half of the year.

WellingtonNZ Service Performance – YTD December 2020

Highlights



\$32.8 mil

The budget value of all film permit applications YTD December 2020.



\$7.4 mil*

Capability and R&D funding YTD December 2020
*provisional



\$4.3 mil*

COVID-19 Vouchers issued YTD Q2 to support businesses
*provisional



\$4.9 mil

The value of business events secured YTD December 2020.



\$10 mil*

Equivalent Advertising Value achieved from our marketing activities YTD Sep
*Q2 figure not available.

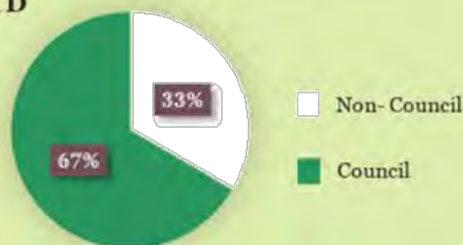


1,079*

Businesses supported through COVID-19 Business Response during Q1 and Q2
*provisional

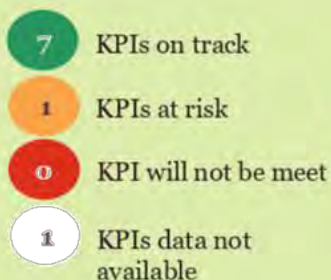
Financials

Council vs Non-Council/ Commercial – Actual YTD



Includes WellingtonNZ, Venues and CHQ

Key performance indicators – Direct Measures



Key performance indicators – Indirect Measures

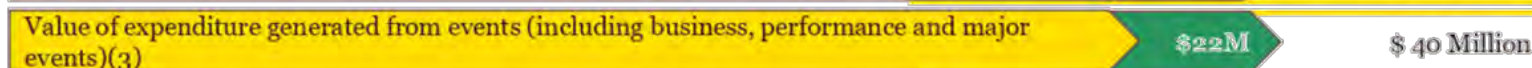


WellingtonNZ Service Performance – YTD December 2020

WellingtonNZ is delivering direct value/ROI on our shareholders investment YTD Target 2020/21



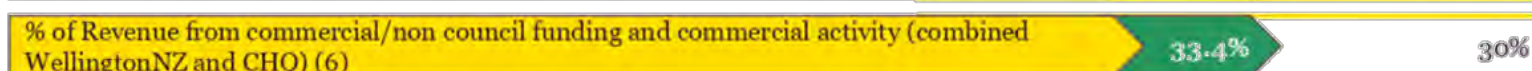
WellingtonNZ is shaping and amplifying the regional destination/brand story



WellingtonNZ is supporting businesses to upskill and grow



Internal – Financial Health



Internal – Employee Health



Internal – Stakeholder Relation Health



Comments on measures

- (1) Estimate with available data only. Will need to be revised at a later date.
- (2) Only includes Q1, Q2 figure disrupted by data source issues, to be revised in Q3.
- (3) Q2 figure only. Q1 figures currently unavailable due to COVID-19 impacting data collection from events.
- (4) Q2 figure only. Q1 figures currently unavailable due to COVID-19 impacting data collection from events.
- (5)
- (6) Q1 Actual from Engagement and Wellbeing Pulse Survey
- (7)
- (8)

Traffic Light Key



Economic Indicators



-2.5%

GDP, YE Sep 2020*
(Provisional Growth)
*Dec quarter data not available yet



-1.5%
YE June Sep
2020
(Provisional)



253,943

Jobs filled in Wellington
Region as of December 2020



246,861
September 2020



20,427

Number of work-ready Job Seekers
in Wellington Region as of end of
December 2020



13,962
September 2020



2.4%

Increase in Consumer spend in
Wellington Region between July to
December 2020 compared to same
time in 2019



Indirect Measures of Impact

	YTD	Target 2020/21
Number of International Visitors (1)	N/A	100,000
Australian visitors through WIAL (2)	2	40,000
International Visitors through WIAL (3)	4	10,000
Visitor Nights recorded in the Accommodation Data Programme (4)	1,102,400	1,832,261
Domestic Visitor Spend (5)	\$633 M	\$1,453 Million
Australian Visitor Spend (6)	\$27 M	\$60 Million
International Visitor Spend (7)	\$125 M	\$86 Million
NZ Multi-Day conference in Wellington Region (8)	20%	22%
Population Growth due to Migration to Wellington Region (9)	Annual	1,500
Share of NZ International Students reported in Wellington Region (10)	Annual	7.2%
Wellington GDP Growth (11)	-2.5%	-2.5%
Total Number of Work Ready Job Seekers in Wellington Region (12)	14,619	29,000
Total Consumer spending in Wellington Region – Total (13)	\$3,641M	\$5,415 Million
Total Consumer spending In Wellington Region – Retail (14)	\$1,242 M	\$1,389 Million
Total Consumer spending in Wellington Region – Hospitality (15)	\$592 M	\$846 Million

Comments on measures

- (1) Data not available as IVS is not currently being captured due to the absence of International visitors to survey.
- (2) On Track as we forecasted 0 visitors for Q1
- (3) On Track as we forecasted 0 visitors for Q1
- (4) Only July to November. Dec to be confirmed.
- (5) Months of July to October only
- (6) Months of July to October only
- (7) International spend modelling is currently being impacted by a new modelling method, figures will need to be revised.
- (8) Q1 results only. Q2 not available yet.
- (9)
- (10)
- (11) Provisional figure only
- (12) Work-Ready Job Seekers only. Total on Job-seeker benefit was 20,866.
- (13)
- (14)
- (15)

1

To: Wellington City Council
From: Wellington Zoo Trust
Date: 29 January 2020



Second Quarter Report 2020/21 Financial Year

Highlights

- WZT completed its annual Qualmark assessment, which involved an audit of various visitor, marketing and H&S initiatives at the Zoo and we were awarded **Qualmark EnviroGold** certification status. We also again passed the **Ministry of Primary Industries' annual Audit**, both as a containment facility and as a Transitional Facility.
- The People and Culture team have launched new **staff induction initiatives**. This included a half day induction workshop for a more streamlined and effective process and the implementation of **Tick Box** as a repository for all induction information, WZT policies, H&S information etc.
- As part of **WZT's Remuneration Strategy**, Management are currently reviewing all Tier 4 roles. Once sized appropriately, any remuneration adjustments will be incorporated into the 2021/22 budget within capacity to pay.
- Staff were heavily involved with the drafting and publication of two important documents: **WAZA's Sustainability Strategy, Protecting Our Planet**. (<https://www.waza.org/wp-content/uploads/2020/10/WEB-WAZA-Sustainability-Strategy-2020-30.pdf>) and **IZE's Social Change for Conservation Strategy** (https://www.waza.org/wp-content/uploads/2020/10/10.06_WZACES_spreads_20mbFINAL.pdf)
- Our **direct field conservation** contributions for 2019/20 totalled \$582,613 or 7.1% of our operational budget, exceeding the 2019/20 target of 6% and ZAA/WAZA's baseline target of 3%.
- Wellington Green Gecko Moko Kākāriki** habitat and **Te Piringa Iti**³ were officially opened with blessings from Taranaki Whānui's Neavin Broughton and a speech from Mayor Andy Foster. Guided tours were taken of Te Piringa Iti following formalities.
- The Central Zoo Authority of India (CZA) has contacted several global zoos, including Wellington Zoo, via a consultancy with EY. CZA is seeking to improve the top ten zoos in India (out of 152 across the country) via collaborations with progressive global zoos that are WAZA members. CZA have suggested Wellington Zoo collaborate with **Chennai Zoo**, one of the wealthier Indian zoos, and focus on themes of visitor experience, sustainability, animal welfare and conservation.
- Our Senior Veterinarian spent a week at Southland Museum in early October assisting DOC with health checks on 73 **Tuatara that were released** on Takaporewa in the Marlborough Sounds in November. These animals were part of a large translocation project from them living in human care at Southland Museum. The release party consisted of representatives from Ngāti Koata (guardians of the taonga species), Kāi Tahu ki Murihiku/ Ngāi Tahu papatipu rūnaka ki Murihiku, DOC, Victoria University and two WZT staff.
- The parameters of WZT's **Te Ao Māori Project – Kanohi Kitea** have been decided as Te Tauhu (WCC); Te Arawhiti (Crown) and the Five Domains of Animal Welfare. This will be used to bring together an approach to Oranga – the balance between people, place, animals and the environment to create wellbeing.

Challenges this Quarter

- Venues bookings have been significantly impacted by COVID-19 with a decline in bookings while at Alert Level 2 and limited interest in large scale group bookings as well. While we fielded many requests during November and December, ultimately customers were hesitant to commit due to uncertainty around Alert Level changes.

Visitor Attendance as at 31 December 2020:

	Current YTD 2020/21		Annual Target	Current YTD 2020/21
Actual	106,988	Student and Education Visits	20,000	11,729
Annual Target	254,000			

¹ World Association of Zoos and Aquariums

² International Zoo Educators

³ Gecko Breeding Facility



Photo: WZT Board Trustee, Raewyn Bleakley presenting Chye-Mei Huang the Gold Agouti Hinengaro Award, October 2020 (N Price)

Health, Safety and Wellbeing

- The Sales and Service team participated in a dedicated **emergency procedure training** session, facilitated by our Health and Safety Advisor. The Sales and Service team play a critical role during emergency situations and this training was an excellent way to familiarise new staff with procedures and to reinforce training and competency in existing team members.
- The reinvigorated **WZT Social Club** organised two staff events during the quarter with a Fish and Chip lunch in October and an on-site Christmas Lunch in December with attendees bringing along some non-perishable items to donate to the Wellington City Mission Christmas Appeal.
- The Green Team organised the staff annual **Secret Sustainable Santa event** whereby staff were invited to swap sustainable gifts, for example a gift made by the giver, or reused items. Staff swap presents over a shared lunch.
- Management advised all permanent staff that an additional day of **annual leave** had been gifted to show appreciation of how they had all stepped up during the COVID-19 lockdown and the shifts between Alert Levels.
- Following the implementation of WZT's **SunSmart Policy**, the long-sleeved shirts deemed necessary in the Policy arrived and were distributed to those working outside. These new shirts complement the wide brimmed hats and sunscreen which are already available for outdoors staff.

Model Values Aligned Behaviour

- Due to the move into COVID-19 Alert Level 2, the annual **Gold Agouti Awards** were postponed until 1 October. Once again, this was a fantastic evening with over 100 of our staff, volunteers and Board members attending to celebrate the success of our colleagues. Categories included Oranga (a healthy organisation), Whānau (our role), Tinana (our animals), Hinengaro (our purpose), Wairua (our community) and Living the Values Award. Staff and Volunteers having worked at the Zoo for five, ten or fifteen years were also acknowledged with an Aoraki Award.

Commit to Outstanding Daily Visitor Care

- WZT completed its annual Qualmark assessment, which involved an audit of various visitor, marketing and health and safety initiatives at the Zoo. We have again achieved **Qualmark EnviroGold** certification.

Infrastructure Improvements

- Phase 2 of the **IT Network Upgrade Works** was completed early November with work being done around Te Piringa Iti and Bea Arthur Office Building to improve the network cabling. The computers in all meeting rooms have also been upgraded to Microsoft Office 365 and animal care staff were issued with individual laptops rather than having to share pool computers.
- The **PA System** was tested late October to ensure volume level and that the equipment was all working correctly. It is envisaged that the system will be up and running in January 2021.

Learning and Development

- The People and Culture team launched new **staff induction initiatives** for a more streamlined and effective process:
 - a half day induction involving the Chief Executive and General Managers from each area outlining what happens in their respective departments; and
 - Tick Box, where all induction information, strategic documents, WZT policies, H&S information etc will be held for staff and Board, where relevant, to access.
- On 4 November, WZT organised a meeting for staff who are on **work visas** with our immigration lawyer so they could find out more about the new immigration changes and how these variations will impact on their visa applications.
- The Business & Partnerships and Marketing & Communications teams participated in four dedicated training sessions with Salesforce and Gravity Lab to support the use of **Salesforce CRM**. This included in-depth training on sales reports and dashboard functionality.
- Staff attended a **Financial Literacy Learning Session** run by Sam Stubbs, Founder and Managing Director of non-profit KiwiSaver provider Simplicity. Sam covered some basic information around financial markets and helped staff learn more about how to manage their money and how they could make their finances work better.
- Two Keepers have commenced a six-month **curatorial internship** around species planning and management with the Animal Science Manager.
- Team Leader Learning and a Zoo Educator attended the **Wellington Region Environmental Educators' Forum (WREEF)** at Zealandia. It provided a good opportunity for professional development and a chance to network with environmental educators around the region.

Legal and Compliance requirements

- The AWUNZ⁴ and WZT have renewed the **Collective Employment Agreement** which will be in force for the next three years. The new agreement gives members an extra week's annual leave on their fifth and subsequent years of continuous employment.
- As part of WZT's **Remuneration Strategy**, all Tier 4 roles are currently being reviewed. This will involve 13 different roles including keepers, educators, veterinary technicians, maintenance officer and various advisors. Once sized appropriately, any necessary remuneration adjustments will be incorporated into the 2021/22 budget within capacity to pay.
- WZT again passed the **Ministry of Primary Industries' annual audit**, both as a containment facility and as a Transitional Facility. Feedback received from the Ministry was very positive.

⁴ Amalgamated Workers Union NZ



United Nations Sustainable Development Goals

- **WAZA⁶ activity during the quarter:**
 - Chief Executive, Karen Fifield, (virtually) attended two WAZA Council Meetings and the annual WAZA Conference held in October. At this Conference, Karen (as the Chair of the group leading this work) launched **WAZA's Sustainability Strategy, Protecting Our Planet**. (<https://www.waza.org/wp-content/uploads/2020/10/WEB-WAZA-Sustainability-Strategy-2020-30.pdf>) which is based around the United Nations Sustainable Development Goals. Karen, as Chair of the WAZA Ethics and Animal Welfare Committee, also co-presented an update on the work being done on the 2023 WAZA Animal Welfare Goals;
 - WAZA Ethics and Animal Welfare Committee Meeting (virtual); and
 - WAZA Conservation and Environmental Sustainability Committee Meeting (virtual).
- Chief Executive, Karen Fifield also attended the online **SEAZA⁶ Annual Conference** which focused on the impact of COVID-19 on zoos and animals within the region and globally.
- Communication, Experience and Conservation (CEC) staff attended the online **IZE⁷ Conference** where the **Social Change for Conservation strategy**, in which the General Manager, CEC was involved in developing, was launched (https://www.waza.org/wp-content/uploads/2020/10/10.06_WZACES_spreads_20mbFINAL.pdf). In her capacity as the IZE Board Regional representative, Amy Hughes hosted an Oceania Regional drop-in Zoom session attended by 18 educators from across the region.
- One of WZT's **local conservation grant programmes** had success with *Dactylanthus taylorii* seeds gathered from Pureora Forest, brought to Wellington and planted at Zealandia and Otari Wilton's Bush.
- WZT featured in a case study in the **Good Impact Framework** (<https://goodimpactframework.org/>). The Good Impact Framework (GIF) helps businesses to create impact on issues that matter to customers, ie, Climate, Waste, Community, and Land & Water.

⁶ World Association of Zoos and Aquarium

⁶ South East Asian Zoo Association

⁷ International Zoo Educators

- WZT's direct field conservation contributions for 2019/20 totalled \$582,613 or 7.1% of our operational budget, exceeding the 2019/20 target of 6% and ZAA/WAZA's baseline target of 3%.

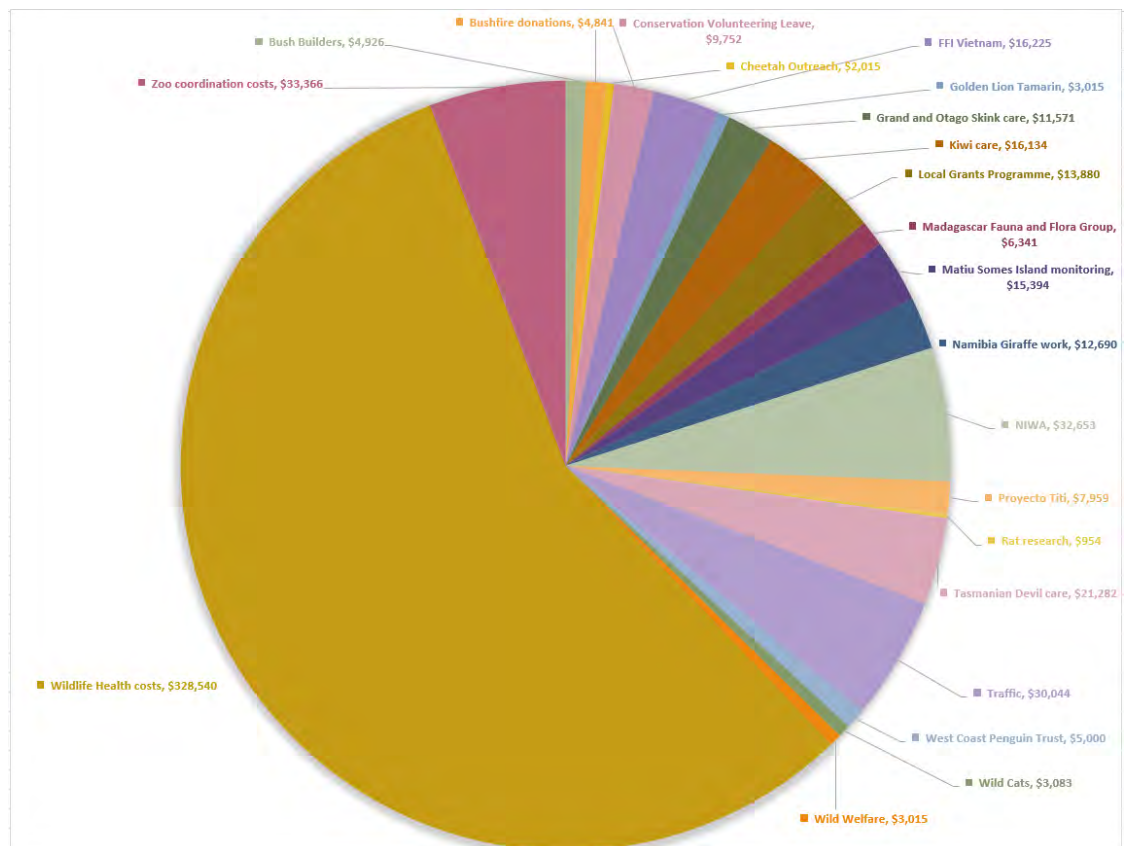




Photo: Ankari's new companion, Kamory (H Neale)

- On 14 December, WZT opened its **Wellington Green Gecko Moko Kākāriki**, with a mihi whakatau from Neavin Broughton (Taranaki Whānui) followed by an address from Mayor Andy Foster prior to refreshments in Kamala's. The habitat is located opposite Hero HQ and additional visitor interpretive signage was installed in the surrounding gardens to let visitors know about reptile friendly plants to grow at home. Garden signage also referred to cat enrichment and safe cat activities that visitors can do at home to help protect wildlife.
- The official **Opening of Te Piringa Iti** was also held on 14 December. Visitors praised the professionalism and knowledge of the Reptiles and Invertebrates Team who took guided tours through Te Piringa Iti following formalities.
- **Zoomonitor**, our animal behavioural observations monitoring App, has been successfully piloted with the Caracals, Cotton Top Tamarins, Red-Fronted Macaw, Giraffe, Sun Bear and Tuatara. This App traces the animals' movements in their habitats and collation of the captured data will assist Keepers to provide an even higher level of animal care and welfare for our residents.
- At its December 2020 meeting, the WZT Board accepted the **Snow Leopard Developed Design Report** and cost estimate and approved the Zoo team to move into the Detailed Design stage.
- Following the need to euthanase Lucky, a Black and White Ruffed Lemur, on age related animal welfare grounds, WZT welcomed Kamory, another **Black and White Ruffed Lemur** from National Zoo and Aquarium in Canberra. Introductions with our resident Lemur, Ankari, went extremely well and they are now both back in their habitat.
- A strategic review of injured and/or sick **indigenous wildlife** species admitted to The Nest Te Kōhanga for care was completed and a new framework was drawn up in conjunction with DOC and SPCA Wellington to effectively manage where and how hurt or ill native wildlife would be treated.
- A **Victoria University of Wellington student** spent two weeks at WZT observing the Tuatara to see how they would fare under climate change, a key factor for their conservation.

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- The renovation of the **Pygmy Marmoset habitat** next to Mojo Zoo café was more extensive than first planned due to the deterioration of the wooden wall. The plants were all removed to enable a concrete floor to be laid but these were replanted once the work was completed. Some items of habitat "furniture" known to be appreciated by the animals was also re-installed. UV lights were installed, and a new roof built so that the heat can be better regulated.

Species Planning

Arrivals			
Species	Gender		Date
Black and White Ruffed Lemur	Male	From National Zoo and Aquarium, Canberra	13/11/20
Wellington Green Gecko	6 unsexed	From Joel Knight	07/11/20

Departures			
Species	Gender		Date
Stripe Knee Tarantula	Female	To Otago Museum	4/12/20
Brazilian Black Tarantula	Unknown	To Otago Museum	4/12/20
Brazilian Black Tarantula	Unknown	To Canterbury Museum	3/12/20
Mexican Red-knee Tarantula	Female	To Canterbury Museum	3/12/20
Duvacels Gecko	Female	To Nga Manu	1/12/20
Nyala	2 males	To Gibbs Farm	15/12/20

Native Animal Admissions to The Nest Te Kōhanga

	2015	2016	2017	2018	2019	2020
January	63	67	76	54	78	84
February	51	41	52	70	57	55
March	60	39	33	57	51	44
April	30	28	22	37	36	0
May	37	33	47	33	34	2
June	34	23	21	38	24	28
July	33	17	20	36	18	39
August	26	15	24	25	23	25
September	25	24	22	30	30	19
October	19	43	28	40	30	93
November	33	41	37	44	44	36
December	67	58	61	48	58	47
	478	429	443	512	483	277



Photo: Opening of Wellington Green Gecko Moko Kākāriki (L Fyfe)



Photo: One of the three Squirrel Monkeys born in the quarter (L Ridley)



Photos: Matiu/Somes Gecko Monitoring programme (C Huang)

- The **Matiu Somes Island monitoring programme** for Ngāhere and Wellington Green Geckos had commenced for the season with a Ngāhere Gecko being located on the first trip undertaken during the quarter. On the December monitoring trip the team detected an adult male and an adult female Ornate Skink which had been released on the Island in 2006 and also a 2020-born juvenile.
- Two of our Reptile & Invertebrate Keepers travelled to Central Otago on Conservation Staff Grant Leave to help Landcare Research with the **Grand and Otago Skink Recovery Programme**. Some of the released skinks had come from Wellington Zoo so the project was very relevant to the work we do to save native species. Feedback from Landcare Research:

"G'day Dave

Can I keep Joel and James forever please? If that doesn't sum up what I think about these guys, I don't what does. They are fantastic, super-enthused by whatever they do, and just wanting to do what's best for the project down here. I'm so impressed. Thanks for sending them down my way Dave.

Grant Norbury
Wildlife Ecologist
Manaaki Whenua – Landcare Research
Alexandra"

- Some of our staff took **Conservation Volunteering Leave** to work with our Conservation Partners and other conservation groups:
 - West Coast Penguin Trust;
 - Tawaki, Fiordland; and
 - Conservation Volunteers NZ for restoration work on Wellington's South Coast.
- Wellington Zoo hosted **Predator Free Wellington's** event to engage with community groups on the next phase of the project, moving from Miramar into Newtown. WZT will continue to work closely with Predator Free Wellington as they progress further into the local community.

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- Our Senior Veterinarian spent a week at Southland Museum in early October assisting DOC with health checks on 73 **Tuatara before they were released on Takaporewa** in the Marlborough Sounds in November. (These animals were part of a large translocation project from them living in human care at Southland Museum.) The release party consisted of representatives from Ngāti Koata (guardians of the taonga species), Kāi Tahu ki Murihiku/ Ngāi Tahu papatipu rūnaka ki Murihiku, DOC, Victoria University and two WZT staff. Our staff were very moved by the relocation process as the release of this very precious taonga was of significant importance to the local Iwi.
- During the quarter, staff attended:
 - The **Kiwi Hui** in Queenstown in September. This annual meeting is coordinated by "Kiwis for Kiwi" and brings together Kiwi carers and conservationists from across New Zealand;
 - Staff attended virtual annual meetings of the **ZAA Taxonomic Advisory Groups (TAGs)** to discuss species breeding programmes in our Australasian region for Birds, Primates and Australian mammals;
 - The General Manager, Communications, Experience and Conservation attended (virtual) **ZAA Board meetings** and a **ZAA Wildlife Conservation Committee** meeting. The Wildlife Conservation Committee is reviewing the way conservation contributions are measured as part of the next phase of ZAA Accreditation;
 - The General Manager, Animal Care and Science attended a **ZAA New Zealand Committee Meeting** in Auckland; and
 - Animal Care and Science Manager presented a lecture to **Massey University's Companion Animal Science Course** on modern zoos, animal welfare and accreditation.
- The Central Zoo Authority of India (CZA) had contacted several leading global zoos, including Wellington Zoo, via a consultancy with EY. CZA is seeking to improve the top fifteen zoos in India (out of 152 across the country) via collaborations with progressive global zoos that are WAZA members. In initial conversations, CZA have suggested Wellington Zoo collaborate with **Chennai Zoo**, one of the wealthier Indian zoos, and focus on themes of visitor experience, sustainability, animal welfare and conservation. An introductory meeting with Chennai Zoo's management team was held mid-December. A formal MoU is being developed.



Photo: Releasing Tuatara on Takaporewa Island (P Kowalski)



Photo: Grand and Otago Skink Recovery Programme, Alexandra (J Kilduff)



Photo: School Holiday Programme (C Wilson)

- **Grants** received during the quarter:
 - Support from **Holdsworth Charitable Trust** to contribute to the operational costs of Te Piringa Iti and Te Hononga with a contribution of \$300,000 over three-years (this is in addition to their support for the Nest Te Kōhanga);
 - \$48,000 from **J&A Mauger Trust**, managed by Trustees Executors, which they have given us permission to use for Snow Leopards. This will be J&A Mauger Trust's final contribution to WZT as the Trust is closing; and
 - \$13,867 funding from **Koala Trust** and **Brian Whiteacre Trust** to support The Nest Te Kōhanga operational costs.
- Three **Memorandums of Understanding** were signed:
 - **Froneri**, which has acquired Tip Top from Fonterra, renewed its supplier partnership agreement with WZT for three years effective October 2020. Froneri has introduced a new sales performance partnership model: \$7,000 fixed exclusivity contribution + 18% of wholesale sales;
 - WZT has renewed its agreement with **Weta Digital** for two years for a value of \$20,000 per annum and will be in place for two years; and
 - **Holdsworth Charitable Trust** (three years) for their generous support of Te Piringa Iti and Te Hononga.
- Sound engineers from **Park Road Post** visited the Zoo to record Meerkat vocalisations, as part of a project for Weta Digital. The Carnivore team assisted in organising two visits, where the Meerkats had enrichment to encourage group vocalisations.
- The Marketing & Communications team delivered on a **Turning the Page "Family Room" video** collaboration. Turning the Page is a US-based non-profit organisation, which links public schools, families and community to ensure students receive valuable educational resources and a high-quality public education.
- On the weekend of 28-29 November, we **hosted members from Zealandia** as part of a no charge "members swap" with our Zoo Crew members. Visitor numbers to Wellington Zoo totalled 1,330: 922 adults and 408 children. Zoo Crew members attending Zealandia's swap day numbered 130.

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- Two “charity of choice” partnerships were signed:
 - **ChangeMakers Resettlement Forum**, a Wellington-based not-for-profit organisation that supports the region’s refugee community (from as far away as Myanmar, Syria, Colombia and Somalia). WZT provided ChangeMakers with 20 free passes; and
 - **Wellington City Mission** to support individuals and families who are working with the City Mission. Following their first walking tour of Wellington Zoo, we received this feedback from Ray Tuffin, the Mission’s Community Engagement Advisor:

“What a day” We had 24 of our guests assemble in the lounge this morning like children going to their first school camp. It was such a buzz, collecting their packed lunch off to their big journey walking to the zoo, I then witnessed their return, the wellness this has created is just stunning, amazing, awesome. The hardest of selected guests returned glowing in so many ways. This is just an amazing partnership that will create happiness and wellness within the community.

Your team is amazing and I feel they need to understand and realise their support makes such a difference in lives within our communities.

Blessings to you and your team

Ray Tuffin”

- During the quarter, the **Learning Team** worked with various schools:
 - Team Leader Learning and a Visitor Ranger attended a careers event hosted by Elite Management School for Year 9 & 10 students;
 - Utilising existing staff skills, WZT delivered Japanese and Spanish learning sessions for Year 9 and 10 students from Upper Hutt College;
 - The October School Holiday Programme was a success at 97% capacity which is a 33% increase on the same period last year. During this period, visitor numbers reached 19,097; 4,772 more than the same time last year;
 - A new session for Year 9 Spanish students was trialled with Rongotai College;
 - Island Bay, Kelburn Normal, Roseneath, Hataitai and St Patrick’s Schools, which were lapsed/irregular visitors, have reinstated their learning sessions with WZT;
 - Implementing a New Zealand Native Animal Tour for International Students from Wellington High; and
 - Fergusson Intermediate School planted 120 plants at their School as part of Phase 3 of Wellington Zoo’s Bush Builders programme.
- WZT enjoyed much positive **media** attention during the quarter including:
 - Trip 101 (USA) talked about our sleepovers in their ten exciting things to do at night in Wellington, New Zealand article;
 - Buzzpodcast by Karen Fifield on the role of directors and managers in animal welfare research [#AnimalConcepts](#) [#WellingtonZoo](#) [#PAWS](#) [#podcast](#) [#iBuzzanimalconcepts](#);
 - WZT featured on FSC⁸ social media channels re new Giraffe interpretations;
 - Newstalk ZB, NZ Herald and Zooborns all ran stories on our baby tarantulas;
 - Multiple coverage around the proposed fireworks ban near the Zoo included TV1 and TV3 6.00pm News Bulletins; DomPost; NZ City; Newstalk ZB (interview with Karen Fifield); Stuff; Vox; and SAFE;
 - NZ Herald about the Minibeasts experience and refurbished Giraffe House; and
 - TVNZ Breakfast interview about Bird of the Year.
- As at 31 December 2020, Wellington Zoo had 52,159 Facebook followers, 14,706 Instagram followers, 9,436 Twitter followers and 1,275 LinkedIn followers. These statistics showed steady growth in each of these **social media channels** over the quarter.
- A new “**Tap to Donate**” initiative, which accepts contactless EFTPOS and credit card donations, was launched late November and stations installed in the shop. This new fundraising channel diversifies the way visitors can engage with and donate to Wellington Zoo – we received the first two donations within 30 minutes of the stations being installed.

⁸ Forest Stewardship Council

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- During Te Wiki o Te Reo Māori, WZT ran a kupu o te rā (word of the day) relating to the Zoo and conservation each day;
- The parameters of the **Te Ao Māori Project – Kanohi Kitea** – have been decided: Te Tauihu (WCC); Te Arawhiti (Crown) and the Five Domains of Animal Welfare. These will be used to bring together an approach to Oranga – the balance between people, place, animals and the environment to create wellbeing. The Project commenced with a cultural baseline survey undertaken with staff in December 2020.
- WZT's summer **promotional campaigns** were up and running:
 - Zoo Shop sale night;
 - December and January School Holiday Programme;
 - Zoo Crew gifting campaign;
 - New adventure collateral to be used throughout lower North Island and upper South Island; and
 - WellingtonNZ campaign on TV.
- WZT actively **promoted the Zoo** as a destination of choice by:
 - Hosting a successful "incentives experience" famil with WellingtonNZ and 212F, an agency which specialises in corporate rewards programmes;
 - Participating in the Wellington NZ Tourism Operators Day for all regional tourism operators to connect with hotels, B&Bs, City Ambassadors and i-Sites; and
 - Joining Conference and Incentives NZ (CINZ) which creates and supports increased business tourism, including conventions, meetings and incentives, and attending a CINZ networking event in Auckland in December.
- WZT hosted seven students from the **Wellington City Council Amenity Horticulture and Nursery Production** apprenticeship programme on 16 November for their team building day. The students offered their skills to the maintenance team and assisted with the removal of plants in Neighbours to improve the visitor experience.
- **We celebrated:**
 - International Zoo Keeper Day and World Animal Day on 4 October;
 - International Vet Nurse Day on Friday 9 October;
 - International Zoo and Aquarium Educators' Day for all who help engage our visitors with animals and conservation on 5 November; and
 - International Volunteer Day on 5 December.
- From Sunday 25 October **Metlink's bus service** routes 23, 23e and 23z changed to effectively reinstate the bus routes from July 2018. This is very good news, not only for Zoo visitors and staff but also for the community housing residents.
- General Manager Business & Partnerships participated in a **Tourism Workforce focus group** in October. This focus group was facilitated by Service IQ and will form part of the "Hinonga Kokiri/Head Start Project" which aims to contribute to the development of the Tourism Workforce Strategy for the Hospitality, Tourism, Travel, Aviation and Retail sectors.
- The Chief Executive **presented to/participated in:**
 - Victoria University of Wellington's Aspire Women's Leadership Development programme 2020;
 - Skål International (global professional organisation of tourism and travel leaders) on COVID-19 post recovery from the Zoo's perspective;
 - Tourism NZ panel discussion as speaker as part of the Tourism NZ Roadshow;
 - A Victoria University of Wellington Tourism Management Advisor Group Meeting; and
 - Zoo Advisors USA– Women in Leadership Conference Focus Group workshop.
- Te Motu Kairangi have gifted WZT around **300 native plants** for Te Hononga, our new Tuatara facility. These plants have come from the set of Avatar 2.

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- WZT launched gift voucher sales for the **Sun Bear Behind the Scenes experience** and are actively promoting it via radio, online banners, social media advertising and street posters. The actual experiences will not start until early next year, however, we wanted to tap into the gift-giving period before Christmas with the vouchers.
- Following the yard and house upgrade, **Giraffe close encounters** re-commenced in October and gave visitors a more enhanced experience. The Giraffe House refurbishment, including new interpretive media, was completed in December with the installation of browse feeders and drinkers and it will be formally opened on Friday 5 February 2021.



Craig Ellison
Board Chair, Wellington Zoo Trust



Photo: Te Motu Kairangi plant donation for the Te Hononga Tuatara habitat (D Laux)



Photo: Tap to Donate devices installed at WZT (A Binaco)



Photo: a new Behind the Scenes Giraffe experience was launched in the refurbished Giraffe House and yards (G Avery)

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Appendix 1 – Wellington Zoo Strategy Framework 2020/21















Required WCC Performance Measures	Pre COVID-19 Target 20-21	Tracking YTD 31.12.20		OPEX 20-21 Budget 20-21	Tracking YTD 31.12.20		Comments as at 31.12.20	
		#	%		#	%	Notes	
Visitors	254,000	106,988	42%	🟢	173,882	106,988	62%	🟢
Student and education visits	20,000	11,729	59%	🟢	14,645	11,729	80%	🟢
Council operating grant per visitor	\$13.76	\$16.33	NA	🔴	\$20.10	\$16.33	NA	🟢
Full cost to Council	\$21.77	Annual Measure	NA	🟡	\$31.80	Annual Measure	NA	🔴
Trading Revenue per visit (excl. grants & interest)	\$17.77	\$26.58	NA	🟢	\$18.63	\$26.58	NA	🟢
Non-Council donations and funding	\$324k	Annual Measure	NA	🟡	\$222k	Annual Measure	NA	🔴
Percentage of operating costs generated by Trust	59%	NA	70%	🟢	39%	NA	70%	🟢
Trust generated income as percentage of the Council grant	144%	NA	163%	🟢	93%	NA	163%	🟢
Additional WZT Performance Measures								
		#	%		#	%	Notes	
Measure visitor feedback and satisfaction	8.5	8.8	NA	🟢	8.5	8.8	NA	🟢
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo	25	30	120%	🟢	25	30	120%	🟢
Percentage of native animals released to the wild after triage and treatment by the Nest Te Kohanga (TNTK)	50%	NA	69%	🟢	50%	NA	69%	🟢
% of OPEX directly contributed to field conservation	7%	NA	Annual Measure	🔴	7%	NA	Annual Measure	🔴
Number of field conservation projects supported for threatened (NZ) and vulnerable, endangered or critically endangered (global) species	12	12	100%	🟢	12	12	100%	🟢
Participate in zoo-based research projects, scientific papers and presentations	10	11	110%	🟢	10	11	110%	🟢
These projects are directly related to conservation medicine, animal welfare science and visitor engagement research. 1. Pathogens of yellow eyed penguins – Master's thesis in preparation by Emily Kay. 2. Disease screening of Fijian bats – Master's thesis in preparation by Jessica McCutchan (Resident). 3. What disturbances of clinical significance to physiological homeostasis are occurring during anaesthesia across a range of zoo animals – Master's thesis submitted by Nigel Dougherty (Resident). 4. The ethics and animal welfare of aged animal management in zoos – Master's thesis in preparation by Alison Clarke (Resident). 5. Investigating marine predation injuries to yellow-eyed penguins – Master's thesis in preparation by Kathryn Johnson (Resident). 6. Lead exposure in rural and urban Tui – Undergraduate project in preparation for publication by Ailsa Eddle and TNTK team. 7. Total ear canal auralisation in a lion – case study being written up for publication by Dr Helen Orbell and TNTK team. 8. Lysosomal storage disease in a South Island Kākā (Nestor meridionalis meridionalis) – case study being written up								

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Additional WZT Performance Measures									
		#	%			#	%		Notes
Participate in zoo-based research projects, scientific papers and presentations Cont.									for publication by Dr Bob Jolly, Dr Stuart Hunter and TNTK team. 9. Surgical repair of a meningoencephalocele in a Kākāpō – paper in preparation, Baukje Lenting co-author. 10. Plastic ingestion is an underestimated cause of death for southern hemisphere albatrosses – paper in preparation, Baukje Lenting, Phil Kowalski and Shelly Butcher co-authors. 11. The influence of animal welfare accreditation programmes on zoo visitor perceptions of the welfare of zoo animals - published in Journal of Zoo and Aquarium Research, Daniel Warsaw author.
Maintain Zoo and Aquarium Association Animal Welfare Accreditation	Achieved	Annual Measure			Achieved	Annual Measure			Occurs every three years. Next accreditation in early 2022.
Maintain Toitū carbonzero certification	Achieved	Annual Measure			Achieved	Annual Measure			Toitū carbonzero audit has occurred, waiting for confirmation
Safety Improvement Team meeting attendance	80%	5	95%		80%	5	95%		Measured against those staff available to attend meetings. 5 meetings held to date. Nov meeting was delayed until after Dec. Board meeting
Successful emergency drill/incident debriefs held	6	3	38%		8	3	38%		Shake-out drill combined with a Code Green Drill and debrief to Code Green Incident. Fire drills carried out in mid-December.
Volunteer engagement survey	1	Annual Measure			1	Annual Measure			This annual survey measures the satisfaction levels of those volunteering across the organisation.
Staff recognition programme	1	Annual Measure linked to Gold Awards			1	Annual Measure			This measure refers to the year-long recognition of staff excellence at full staff meetings and culminates in the annual staff awards event in August. This has been moved to 1 October this year due to the impact of COVID-19 Alert Level change from AL1 to AL2.
Staff learning and development sessions held	10	3	30%		10	3	30%		In-house learning opportunities from both internal and external speakers.

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Appendix 2 – Financial Statements

CCO: Wellington Zoo Trust			
Quarter Two 2020/21			
\$NZ000's			
Actual	EARNINGS STATEMENT	Actual	Budget
30-Jun-20		31-Dec-20	31-Dec-20
	Revenue		
3178	Trading Income	2105	1148
3680	WCC Grants	1761	1748
665	Other Grants	515	59
237	Sponsorships and Donations-Operational	167	80
269	Sponsorships and Donations-Capital	49	0
27	Investment Income	5	5
207	Other Income	52	43
8,263	Total Revenue	4,654	3,083
	Expenditure		
6,101	Employee Costs	2,970	2994
2,327	Other Operating Expenses	1,110	1147
5	Depreciation	0	0
	Interest		
174	Vested Assets		
8,607	Total Expenditure	4,080	4,141
(344)	Net Surplus/(Deficit) before Taxation	574	(1,058)
0	Taxation Expense		
(713)	Operating Surplus (Deficit)	525	(1,058)
(344)	Net Surplus/(Deficit)	574	(1,058)
-8.6%	Operating Margin	11.3%	-34.3%

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Actual 30-Jun-20	STATEMENT OF FINANCIAL POSITION	Actual 31-Dec-20	Budget 31-Dec-20
	Shareholder/Trust Funds		
0	Share Capital/Settled Funds	0	0
0	Revaluation Reserves	0	0
1,280	Restricted Funds	1,250	1322
242	Retained Earnings	816	-1519
1,522	Total Shareholder/Trust Funds	2,066	(197)
	Current Assets		
2,912	Cash and Bank	3,243	667
300	Accounts Receivable	380	150
87	Other Current Assets	150	100
3,299	Total Current Assets	3,773	917
	Investments		
0	Deposits on Call	0	0
0	Other Investments	0	0
0	Total Investments	0	0
	Non-Current Assets		
0	Fixed Assets	0	0
0	Other Non-current Assets	0	0
0	Total Non-current Assets	0	0
3,299	Total Assets	3,773	917
	Current Liabilities		
545	Accounts Payable and Accruals	593	400
	Provisions		0
1,232	Other Current Liabilities	1,114	714
1,777	Total Current Liabilities	1,707	1,114
	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
1,522	Net Assets	2,066	(197)
1.9	Current Ratio	2.2	0.8
46.1%	Equity Ratio	54.8%	-21.5%

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Actual 30-Jun-20	STATEMENT OF CASH FLOWS	Actual Dec-20	Budget Dec-20
	<i>Cash provided from:</i>		
3178	Trading Receipts	2,105	1,148
3680	WCC Grants	1761	1,641
665	Other Grants	515	59
506	Sponsorships and Donations	216	80
27	Investment Income	5	5
268	Other Income	1,844	43
8324		6,446	2,976
	<i>Cash applied to:</i>		
5,801	Payments to Employees	2,961	2,994
3,501	Payments to Suppliers	3,154	1,147
0	Net GST Cashflow		0
0	Other Operating Costs (VESTING)		0
	Interest Paid	0	0
9302		6,115	4,141
-978	Total Operating Cash Flow	331	(1,165)
	Investing Cash Flow		
	<i>Cash provided from:</i>		
0	Sale of Fixed Assets		0
	Other		
0		0	0
	<i>Cash applied to:</i>		
	Purchase of Fixed Assets		0
	Other -vesting Cash for Capital Projects	0	0
0		0	0
0	Total Investing Cash Flow	0	0

Actual 30-Jun-20	STATEMENT OF CASH FLOWS (CONT)	Actual 31-Dec-20	Budget 31-Dec-20
	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
(978)	Net Increase/(Decrease) in Cash Held	331	(1,165)
3,890	Opening Cash Equivalents	2,912	1,832
2,912	Closing Cash Equivalents	3,243	667

Actual 30-Jun-20	CASHFLOW RECONCILIATION	Actual 31-Dec-20	Budget 31-Dec-20
(344)	Operating Surplus/(Deficit) for the Year	574	(1,058)
	Add Non Cash Items		
5	Depreciation	0	0
	Other (movement restricted funds)	-30	
(339)		544	(1,058)
	Movements in Working Capital		
168	(Increase)/Decrease in Receivables	(80)	0
5	(Increase)/Decrease in Other Current Assets	(63)	2
(849)	Increase/(Decrease) in Accounts Payable	48	(151)
37	Increase/(Decrease) in Other Current Liabilities	(118)	42
(639)		(213)	(107)
	Net Gain/(Loss) on Sale:		
0	Fixed Assets	0	0
	Investments	0	0
0		0	0
(978)	Net Cash Flow from Operations	331	(1,165)

REVIEW OF THE HALF YEAR REPORT FOR WELLINGTON REGIONAL STADIUM TRUST FOR THE PERIOD ENDING 31 DECEMBER 2020

Purpose

1. This report provides the subcommittee with a review of the half year report to 31 December 2020 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:

1. Receive the information.
2. Note any issues for the Chair to address with the Wellington Regional Stadium Trust.

Background

2. The subcommittee 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.
4. COVID-19 remains an ongoing and acute risk to the business given that the stadium can only operate in Alert Level 1 with no restrictions on gatherings.

WELLINGTON REGIONAL STADIUM TRUST

ACTIVITY SUMMARY

Six month highlights

- The Stadium has contributed to the post lockdown recovery through providing a variety of events for residents and visitors to the region to attend. These included an All Blacks Test match, Super Rugby Aotearoa, Mitre 10 Cup rugby and a wide range of exhibitions.
- The Trust has continued work on major infrastructure projects to enhance the Stadium facility and experience, and to improve the resilience of the facility.
- Secured two concerts for 2021.

Despite the impact of COVID-19, the Stadium was able to host 19 event days during the six-month period with attendance of 131,209. This compares to 24 event days and attendance of 113,629 in the six months to December 2019. It was a busy period for exhibitions, with three of these rescheduling from earlier in the year.

After the quarter end, the Stadium hosted a sell-out SIX60 concert in February, just before Wellington went into Alert Level 2 (no gatherings of >100 people).

Most recently and at short notice, the Stadium hosted two unscheduled double-header T20 cricket

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

7 APRIL 2021

international event days with the Black Caps playing Australia and the White Ferns playing England. This was in addition to one double header already booked at the Stadium – which unfortunately was played behind closed doors. Ultimately, of the three double-header T20 matches (Wednesday 3rd March, Friday 5th March and Sunday 7th March), only the final event (Sunday 7th March) was open to crowds.

SUMMARY FINANCIALS (Year to Date)

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

FINANCIAL PERFORMANCE (\$000)	Actual 31-Dec-18	Actual 31-Dec-19	Actual 31-Dec-20	Budget 31-Dec-20	Variance* 31 Dec 20	FY Budget 30-Jun-21
Total Revenue	5,925	6,881	5,521	5,178	343 ✓	10,600
Opex before Interest & Depn	4,320	4,896	4,119	4,856	(737) ✓	9,980
Interest & Depn	2,099	2,216	2,051	2,102	(51) ✓	4,300
Net Surplus (Loss)	(494)	(231)	1,676	1,034	642 ✓	(860)
FINANCIAL POSITION						
Total Assets	98,720	98,444	98,840			97,740
Bank borrowings	3,160	2,500	2,500			2,500
Total Liabilities	50,122	47,841	48,401			50,030
Equity	48,598	50,603	50,439			47,710
CASH FLOWS						
Net Cash Flow	(785)	1,528	1,442			(40)
Opening Cash	914	2,856	1,360			540
Closing Cash On Hand	129	4,384	2,802			500

The financial result for the six months to 31 December 2020 is a net surplus of \$1.68 million compared to a budgeted surplus of \$1.03 million.

This result includes \$2.32 million of grant monies from Council toward the concourse upgrade. An amount of \$2.8million was budgeted for the period. The remainder of the grant will be received in the second half of this financial year.

Excluding the grant income, the half-year result is a net loss of \$0.65 million compared to a budgeted loss of \$1.78m. The variance is largely attributable to overhead expenditure, which is being carefully managed.

The events that occurred during the period were as budgeted, with the addition of the North v South rugby match. It was a closed-door match with no audience in attendance. This game had to be relocated at short notice from Auckland due to regional COVID-19 restrictions in that area, and the venue was provided at a minimal fee.

During the period the Trust made the first drawdown against the \$4.2m credit facility being provided by both settlor Councils, for a combined total of \$1.8 million, leaving \$2.4m available for future drawdown. This was needed to pay the annual insurance premium.

The cash flow position and net debt position at 31 December 2020 are better than had been budgeted. This is due mostly to differences in the actual timing of capital expenditure versus the budget.

The Trust is forecasting a year end profit of \$361,000 compared to the original full year budgeted loss of \$861,000. The movement is largely due to savings in overhead expenditure, some of which is being deferred given the ongoing impact of COVID-19. Achievement of the revised forecast is dependent on the events scheduled for the second half of the year going ahead, with crowds in

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 7 APRIL 2021

attendance.

EVENT DASHBOARD

Target met or on track		At risk of not achieving target		Will not reach target		
		YTD	YTD	YTD	YTD	
MEASURE		31 Dec 17	31 Dec 18	31 Dec 19	31 Dec 20	STATUS
Actual Event Days		24	24	21	19	Won't reach
Full Year Target (reforecast)		56	51	49	47 (36)	
YTD Attendance		190,322	125,876	113,629	131,209	
The reforecast budget for total event days (incl. community) is 36 days. Reduction due to Wellington Phoenix likely to play all 2020-21 season games in Australia.						
Rugby event days		10	8	7	9	On track
Full Year Target		16	14	14	13	
YTD Attendance		88,642	71,573	45,859	86,482	
All Blacks v Australia test match in October 2020 (28,774) did not sell-out – likely due to short timeframe for sales (COVID-19 related). North vs South match in September (behind closed doors). Super rugby x 3 (50,562) plus Mitre 10 Cup x 4 round robin matches (average 7,146 per match).						
Cricket event days		0	0	1	0	On track
Full Year Target		3	2	2	1	
YTD Attendance		0	0	9,772	0	
In March the Stadium was due to host one international T20 double header which was ultimately played behind closed doors. Then (due to COVID-19 restrictions elsewhere) the Stadium hosted another two international T20 event days, of which one was behind closed doors and the other was open to the public. Overall, the target was exceeded albeit only one match was open to the public.						
Football event days		7	6	4	0	Won't reach
Full Year Target (reforecast)		13	10	9	8 (0)	
YTD Attendance		64,306	32,508	23,835	0	
Wellington Phoenix are based in Australia for the A League (due to COVID-19). The reforecast target is zero football event days.						
Exhibition days		9	5	6	10	On track
Full Year Target		16	14	15	19	
YTD Attendance		26,073	21,791	20,937	44,727	
Armageddon (August), Home & Garden Show plus Food Show (October) and Beervana (November). Strong attendance figures compared to previous periods due to three events rescheduled from earlier in the year due to COVID-19 restrictions.						
Other sporting event days		1	0	1	0	On track
Full Year Target		2	1	2	0	

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

7 APRIL 2021

<i>YTD Attendance</i>	11,302	0	13,266	0	
Concerts / non-sporting days	0	0	0	0	On track
<i>Full Year Target</i>	0	5	2	1	
<i>YTD Attendance</i>	0	0	0	0	
SIX60 concert held in February. Guns n Roses booked for November 2021.					
Community use	4	4	2	0	On track
<i>Full Year Target (reforecast)</i>	6	5	5	5 (1)	

ISSUES & OUTLOOK

Insurance premiums have become increasingly unaffordable for the Trust in recent years. This year the Trust explored options to mitigate the increasing premium and accepted the following key changes (to the Material Damage and Business Interruption policy) from prior years:

- \$200m of insurance cover (reduced from \$230m in the prior year)
- \$25m deductible for natural disaster (previously \$7m)
- Aggregate limit for fire cover of \$100M (previously full cover from fire up to insured limit of \$200M).

The total insurance cost for the Trust for this cover was \$1.6m which is a modest saving from the prior renewal. To obtain the same cover as the previous year would have had a cost of around \$2m.

COVID-19 remains an ongoing and acute risk to the business given that the stadium can only operate in Alert Level 1 with no restrictions on gatherings.

Guns n' Roses is booked for November and the Trust expects to host an All Blacks rugby test match (no details at this stage).

All of this is dependent on Wellington remaining in Alert Level 1 with no restrictions on public gatherings.

Event enquiries, particularly for concerts have been strong for the summer of 2021-22, but again this will depend on the ongoing management of the pandemic, the worldwide rollout of the vaccination programme, and easing of New Zealand's border restrictions.

With the ongoing COVID-19 related disruptions to borders and events, the outlook for the future remains challenging and uncertain but the Trust remains committed to keeping the Stadium in event ready mode, and able to host a variety of events.

Some upcoming events.



Attachments

Attachment 1. Sky Stadium Half Year Report [↓](#) 

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Author	Warwick Hayes, Project Manager Economic & Commercial
Authoriser	Claire Richardson, Chief Operating Officer

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 2020**

The Trustees are pleased to present this report of operations for the six months ending 31 December 2020.

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 2018 the Trust 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

These objectives remain current.

Additional matters set out in the Letter of Expectations issued by each Council in December 2019 and January 2020, have also been incorporated into the Trust's 2020-2021 Statement of Intent.

For the Wellington City Council (WCC), this included a request to, where relevant, incorporate new WCC strategies and policies into the Trust's operations. Other items noted in the WCC letter are incorporated into the priorities identified above.

The matters raised by Greater Wellington Regional Council (GWRC) are also incorporated in the strategic priorities noted above.

Activity in these areas for the six-month period is reported on below.

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



DELIVER A HIGH QUALITY AND DIVERSIFIED EVENTS PROGRAMME

Sky Stadium is first and foremost a venue that exists to provide a facility for events to take place.

Despite the impact of Covid-19, the Stadium was able to host 20 event days during the six-month period with attendance of 131,209. This compares to 24 event days and attendance of 113,629 in the six months to December 2019.

It was a particularly busy period for exhibitions, with three of these rescheduling from earlier in the year.

<i>Event</i>	<i>Month</i>	<i>Attendance</i>
<i>Rugby</i>		
Super Rugby Aotearoa 3 games	July to August	50,562
North v South (closed door)	September	n/a
All Blacks v Australia	October	28,774
Mitre 10 Cup Rugby: 4 round robin games	Sept to November	7,146 Avg 1,786
<i>Exhibitions</i>		44,727
Armageddon	August	
Home & Garden Show	October	
Food Show	October	
Beervana	November	

Event bookings for the first half of 2021 are reasonably strong with four games in the Super Rugby Aotearoa competition, two games in the Trans-Tasman Super Rugby competition, a T20 cricket international doubleheader and our regular calendar of exhibitions.

Two concerts are scheduled (SIX60 in February and Guns n' Roses in November) and we would expect to host an All Blacks rugby test match.

All of this is dependent on Wellington remaining in Alert Level 1 with no restrictions on public gatherings.

Event enquiries, particularly for concerts have been strong for the summer of 2021-22, but again this will depend on the ongoing management of the pandemic, the worldwide rollout of the vaccination programme, and easing of New Zealand's border restrictions.



INVEST IN AND IMPROVE OUR FACILITIES

<i>Objective</i>	<i>Progress</i>
Complete next phase of concourse improvement project including renovation of food and beverage outlets, new lighting, improved look and feel.	Good progress has been made on this phase of the project, with completion expected by March 2021.
Develop a plan to further strengthen the building and walkway to improve resilience in the event of a major seismic event.	<p>Installation of corbels into the ground floor of the carpark, and the rest of the Fran Wilde Walkway is continuing. This follows prior installation of corbels into the mezzanine level.</p> <p>The Trust's engineers are continuing work on detailed designs for various parts of the Stadium building and walkway to further improve the resilience.</p>
Maintain asset in accordance with asset management plan	<p>The Trust obtains five yearly asset condition assessments and follows up on matters identified in these reports.</p> <p>Progress on the follow up items is regularly reported to the Board.</p>
Be a role model for inclusive and accessible practices in venues	<p>During 2020 we engaged accessibility partner Be. Lab (formerly Be. Accessible) to undertake a Be. Confident workshop (held in March, attended by Trust and service provider staff,) and a Be. Welcome site assessment in September. Following the assessment WRST was awarded the Gold accessibility rating (80-89%) which indicates an excellent level of accessibility.</p> <p>The Trust has since advised on Be. Lab's accreditation program, and future work with Be. Lab will include Community Stakeholder Consultation Workshops, which will include mystery shops by members of the access community.</p>



MAINTAIN A SAFE AND HEALTHY WORKING ENVIRONMENT AND A HARRASMENT FREE VENUE

<i>Objective</i>	<i>Progress</i>
Continually develop and improve health and safety processes.	The Board's Health and Safety Committee is actively involved in oversight of health and safety matters. Regular detailed Health and Safety reports are provided to the Board by 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.
Build on prior training on identifying unsafe situations and roll out to team leaders and duty managers.	Included in all training and pre-event briefings.
Actively promote a safe and harassment-free environment for all staff, contractors and attendees at the stadium.	Continued with active promotion of stadium communication channels for patrons who require assistance or feel uncomfortable.

SUSTAINABILITY

TE ATAKURA FIRST TO ZERO POLICY/CARBON NEUTRALITY

<i>Objective</i>	<i>Progress</i>
Investigate sustainable options for plastic cups in use at Stadium	Continued investigations into suitable cup solutions. It is a complex and ever-changing area. We are seeking solutions that achieve the aim of reducing usage while being operationally viable and cost efficient.
Determine what is required for the Stadium to be a carbon neutral venue	This remains a work in progress and will be explored further n H2

**SUPPORT WCC'S TE TAUHU TE REO MAORI POLICY AND TE MAPIHI MAUREA NAMING POLICY
 RELATIONSHIP WITH MANU WHENUA**

<i>Objective</i>	<i>Progress</i>
Develop an appropriate Te Reo name for Wellington Regional Stadium Trust	Ongoing The Trust is working with WellingtonNZ and Te Taura Whiri i te Reo Māori (the Maori Language Commission) to introduce bilingual messaging



	on entry to the Stadium for events, commencing from the SIX60 concert.
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FINANCIAL RESULTS

The financial result for the six months to 31 December 2020 is a net surplus of \$1.68 million compared to a budgeted surplus of \$1.03 million.

This result includes \$2.32 million of grant monies payable by the WCC toward the concourse upgrade. An amount of \$2.8million was budgeted for the period. The remainder of the grant will be received in the second half of this financial year.

Excluding the grant income, the result is a net loss of \$0.65 million compared to a budgeted loss of \$1.78m. The variance is largely attributable to overhead expenditure, which is being carefully managed in the current Covid-19 environment.

The events that occurred during the period were as budgeted, with the addition of the North v South rugby match. It was a closed-door match with no audience in attendance. This game had to be relocated at short notice from Auckland due to regional Covid restrictions in that area, and the venue was provided at a minimal fee.

During the period the Trust made the first drawdown against the credit facility being provided by both Councils, for a combined total of \$1.8 million. This was needed to pay the insurance premium (the insurance renewal is discussed further on in this report). The Trust notes its appreciation for this facility being made available by the settlors.

The cash flow position and net debt position at 31 December 2020 are better than had been budgeted. This is due mostly to differences in the actual timing of capital expenditure versus the budget.

The Trust is forecasting a year end profit of \$361,000 compared to the original full year budgeted loss of \$861,000. The movement is largely due to savings in overhead expenditure, some of which is being deferred given the ongoing impact of Covid. Achievement of the revised forecast is dependent on the events scheduled for the second half of the year going ahead, with crowds in attendance.

OTHER MATTERS

Trustees & Staffing

Mark McGuinness completed his nine-year term as a Stadium Trustee on 30 June 2020. Steve Tew has been appointed as a Trustee from 1 January 2021.



Insurance

Insurance premiums have become increasingly unaffordable for the Trust in recent years. This year we explored a number of options for the insurance programme, in conjunction with our broker, to work towards mitigating the sharply increasing premium. We kept officers from both of the Settlor Councils informed at each step of the process.

Insurance for the 12 months to 30 November 2021 has been placed, with the following key changes (to the Material Damage and Business Interruption policy) from prior years:

- \$200m of insurance cover (reduced from \$230m in the prior year)
- \$25m deductible for natural disaster (previously \$7m)
- Aggregate limit for fire cover of \$100M (previously full cover from fire up to insured limit of \$200M).

The total insurance cost for the Trust for this cover was \$1.6m which is a modest saving from the prior renewal. To obtain the same cover as the previous year would have had a cost of around \$2m.

The Trustees are satisfied that this is the best outcome for the Trust in the current challenging circumstances, when its operations are constrained and there are multiple demands on the Trust's limited resources.

CONCLUSION

During the last six months we have:

- Contributed to the post lockdown recovery through providing a variety of events for residents and visitors to the region to attend. These included an All Blacks Test match, Super Rugby Aotearoa, Mitre 10 Cup rugby and a wide range of exhibitions.
- Continued work on major infrastructure projects to enhance the Stadium facility and experience, and to improve the resilience of the facility.
- Secured two concerts for 2021.

With the ongoing Covid-19 related disruptions to borders and events, the outlook for the future remains challenging and uncertain but the Trust remains committed to keeping the Stadium in event ready mode, and able to provide a fantastic venue for hosting a variety of events.

John Shewan
Chairman
12 February 2021



Non-Financial Performance Measures

Measure	How Measured	Progress for six months to 31 Dec 2020
<ul style="list-style-type: none"> Deliver a strong Rugby international test programme for 2020 and 2021 	<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"> Successful All Blacks v Australia test match delivered in October 2020. Game did not sell out, likely due to short time frame for sales, and timing on last Sunday of school holidays. 20% out of region visitors. This is lower than normal, likely to be for same reasons as noted above.
<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"> Progress hampered by Covid-19. Restrictions. SIX60 concert scheduled for Feb 2021 and Guns n' Roses for November 2021.
<ul style="list-style-type: none"> Continued investment in stadium infrastructure 	<ul style="list-style-type: none"> Concourse upgrade is completed Resilience plans finalised and shared with council partners 	<ul style="list-style-type: none"> Construction work on food and beverage outlet and lighting upgrades expected to be completed by March 2021. Corbel installation into carpark and Fran Wilde walkway progressing well. Engineering design work for additional resilience measures continuing.
<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 36. Reduction due to Phoenix being likely to play all their 2020-21 season games in Australia.



<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"> • Impacted by Covid-19 but events hosted at Stadium contribute to economic activity in the region. • Strong level of enquiry for 2021-22 summer.
<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"> • No changes in six month period due to Covid-19 uncertainties.
<ul style="list-style-type: none"> • Sustainability 	<ul style="list-style-type: none"> • Reduce single use plastic 	<ul style="list-style-type: none"> • Continued investigation into best sustainable option for cups.

Wellington Regional Stadium Trust
Key Performance Indicators

FINANCIAL	Actual			Budget			Reforecast Budget	YTD Variance	
	1st half	2nd half	Total	1st half	2nd half	Annual		31-Dec-20	%
	31-Dec-20	30-Jun-21	YTD	31-Dec-20	30-Jun-21	Budget			
	\$000	\$000	\$000	\$000	\$000	\$000			
Event revenue	1,981		1,981	1,789	1,952	3,741	3,830	192	11%
Total income (before grant)	5,521		5,521	5,178	5,420	10,598	10,705	343	7%
Net surplus/(deficit)(before cap exp grant)	(649)		(649)	(1,780)	(1,895)	(3,675)	(2,596)	1,131	64%
Total surplus/(deficit) (inc grant)	1,676		1,676	1,034	(1,895)	(861)	361	642	62%
Net cashflow movement	1,442		1,442	(371)	333	(38)	144	1,813	(489%)
Net debt	1,498		1,498	5,556	5,223	5,223	3,611	4,058	73%
Liquidity Ratio (Current Assets to Current Liabilities)	1.39		1.39	1.40	1.05	1.05	1.17		
Debt to Total Assets	4.35%		4.35%	5.79%	5.86%	5.86%	4.41%		
Stadium Enhancements (Capex)	2,655		2,655	4,214	1,537	5,751	5,234	(1,559)	(37%)

Wellington Regional Stadium Trust
Key Performance Indicators

EVENTS	<i>1st half Actual 31-Dec-20</i>	<i>2nd half Actual 30-Jun-21</i>	<i>Total Actual YTD</i>	<i>1st half Budget 31-Dec-20</i>	<i>2nd half Budget 30-Jun-21</i>	<i>Total Budget</i>	<i>Reforecast Budget</i>	<i>YTD Variance 31-Dec-20</i>	
Events held during period									
Rugby	9		9	8	5	13	15		
Cricket	0		0		1	1	1		
Football	0		0		8	8	0		
Other Sport	0		0		1	1	0		
Concerts/Other events	0		0			0	1		
Exhibition Days	10		10	10	9	19	18		
Total events	19	0	19	18	24	42	35	1	6%
Community events			0	2	3	5	1		
Total events (days)	19	0	19	20	27	47	36	(1)	(5%)
Total numbers attending	131,209		131,209						

Wellington Regional Stadium Trust
Statement of Financial Performance
For the Six Months Ending 31 December 2020

	<i>Actual YTD</i> <i>\$000s</i>	<i>Budget YTD</i> <i>\$000s</i>	<i>Variance</i> <i>\$000s</i>	<i>Annual</i> <i>Budget</i> <i>\$000s</i>	<i>31-Dec-19</i> <i>Actual</i> <i>6 months</i>
Operating Revenue					
Event Revenues	1,981	1,789	192	3,741	2,297
License Fees & Sponsorship	2,004	1,982	22	3,996	2,243
Sundry income	1,536	1,407	129	2,861	2,341
Total Revenue	5,521	5,178	343	10,598	6,881
Operating Expenses					
Event	1,126	1,117	(9)	2,311	1,486
Other operating expenses	2,993	3,739	746	7,670	3,410
	4,119	4,856	737	9,981	4,896
Operating Surplus before					
Depreciation and Interest	1,402	322	(1,080)	617	1,985
Depreciation	2,000	2,019	19	4,126	2,145
Interest	51	83	32	166	71
Net Operating Surplus	(649)	(1,780)	1,131	(3,675)	(231)
Grant towards capital expenditure	2,325	2,814	(489)	2,814	
Total Surplus	1,676	1,034	642	(861)	(231)

Wellington Regional Stadium Trust		
Statement of Financial Position		
As at 31 December 2020	31-Dec-20	30-Jun-20
	\$000's	\$000's
Trust Funds		
Accumulated Surplus	50,439	48,763
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>90,834</u>	<u>89,158</u>
Non Current Liabilities		
Term Loans - Bank	2,500	2,500
Term Loans - Councils	1,800	-
Revenue in Advance	36	53
Total Non Current Liabilities	<u>4,336</u>	<u>2,553</u>
Current Liabilities		
Payables & Accruals	1,469	1,505
Revenue in Advance	2,201	2,816
Total Current Liabilities	<u>3,670</u>	<u>4,321</u>
Total Funding	<u>98,840</u>	<u>96,032</u>
Represented by:		
Non Current Assets		
Fixed Assets	93,733	93,078
Total Non Current Assets	<u>93,733</u>	<u>93,078</u>
Current Assets		
Cash	2,802	1,360
Receivables & Prepayments	2,305	1,594
Total Current Assets	<u>5,107</u>	<u>2,954</u>
Total Assets	<u>98,840</u>	<u>96,032</u>

<i>Wellington Regional Stadium Trust</i>	6 mths	6 mths
<i>Statement of Cash Flows</i>	31-Dec-20	31-Dec-19
<i>For the six months ended 31 December 2020</i>	\$000's	\$000's
Operating activities		
<i>Cash was provided from:</i>		
Event and operating income	2,119	2,699
License fees and sponsorships	1,420	2,384
Goods and services tax (net)	42	316
Sundry income	1,448	2,237
	<u>5,029</u>	<u>7,636</u>
<i>Cash was applied to:</i>		
Payments to suppliers and employees	(5,140)	(4,472)
Interest paid	(82)	(83)
	<u>(5,222)</u>	<u>(4,555)</u>
Net cash inflow from operating activities	(193)	3,081
Investing activities		
<i>Cash was provided from:</i>		
Grant income	2,325	-
Disposal of fixed assets	1	-
<i>Cash was applied to:</i>		
Purchase of fixed assets	(2,491)	(1,553)
Net cash outflow from investing activities	(165)	(1,553)
Financing activities		
<i>Cash was provided from:</i>		
Drawdown of Council loans	1,800	-
Net cash inflow from financing activities	1,800	-
Net increase (decrease) in cash held	1,442	1,528
Cash at beginning of the period	1,360	2,856
Cash at the end of the period	<u>2,802</u>	<u>4,384</u>
<i>Composition of cash:</i>		
Cash at bank	2,802	4,834
	<u>2,802</u>	<u>4,834</u>

DRAFT STATEMENTS OF INTENT FOR COUNCIL CONTROLLED ORGANISATIONS

Purpose

- To receive and consider the draft 2021/22 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 Economic Development Agency Ltd
 - Wellington Regional Stadium Trust
 - Wellington Zoo Trust

Summary

1. 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 subcommittee and, subject to its approval of these changes and any further items raised by the subcommittee, the subcommittee's views will be communicated to each CCO so it can prepare its final SOI to be presented to this subcommittee at its next meeting.

Recommendations

That the Council Controlled Organisations Subcommittee:

1. Receive the information.
2. Note any items raised by the subcommittee 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 Economic Development Agency Ltd., the Wellington Regional Stadium Trust and the Wellington Zoo Trust will develop a final Statement of Intent for 2021/22 so as to address the items raised in this report and any further items raised by the subcommittee and will work with Council officers to achieve this.
4. Recommend to the Strategy and Policy Committee to receive the information at the meeting of 15 April 2021.

Background

2. 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.

3. 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.
4. The letter of expectation for each entity was agreed by this subcommittee on 18 November 2020 and a draft SOI has been received from each CCO.
5. The draft 2021/22 SOI for Wellington Water Limited will be considered by the Wellington Water Committee.

Discussion

6. Officers have reviewed the draft SOI received from each entity and acknowledge that they respond constructively to the respective letter of expectation.
7. Officers will work with individual CCOs to address items raised in this report and any further items raised by the subcommittee in each entity's final SOI which will be presented to this subcommittee at its meeting on 2 June 2021.
8. 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.
9. Draft SOIs are appended to this report.
10. BASIN RESERVE TRUST

OFFICER SUMMARY

The Basin Reserve Trust has presented its draft Statement of Intent for 2021/22 (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 relationship between Cricket Wellington (as the Trust's management agent for the ground) and Council is strong and communication is regular, particularly in relation to the redevelopment programme.

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

The Basin Reserve was selected as one of six host venues for the ICC Women's World Cup and will host the following matches.

- **New Zealand** versus **Australia**, Sunday 13 March 2022
- **Australia** versus Qualifier, Tuesday 15 March 2022
- **Australia** versus **South Africa**, Tuesday 22 March 2022
- **South Africa** versus Qualifier, Thursday 24 March 2022
- **Australia** versus Qualifier, Friday 25 March 2022
- **England** versus Qualifier, Sunday 27 March 2022
- **Semi Final**, Wednesday 30 March 2022

The range of community events continues to grow and utilisation of the Basin Reserve for functions is also growing under the concession agreement with Black & Gold. The popular Beers at the Basin event sold out again and attracted over 5,000 patrons this summer, and the ground will host the

Peachy Keen concert over the easter break before the junior sports winter programme begins.

The redevelopment projects at the Basin Reserve are driven by the master plan which was promulgated in Council's 2015-25 Long Term Plan. The main projects that have been completed to date include the refurbishment of the RA Vance Stand and the scoreboards. The players' pavilion was redeveloped and the Brierley Pavilion was relocated to ZEALANDIA. The project to refurbish and strengthen the Museum Stand was completed in 2020. Projects that will be delivered in the 2021 winter include upgrades to the entrance gates and perimeter fence, upgrades to the northern and southern embankment toilet blocks and the development of additional media facilities as part of the hosting agreement for the ICC Women's World Cup. Upcoming projects include the replacement of the picket fence, lighting installations to support safe 24x7 access through the ground, storage facilities to support ground operations, the refurbishment of the gate houses, camera stands and sight screens and a children's playground.

The Trust's SOI includes projects which are not contemplated in the master plan (carpark/broadcast compound and wifi connected venue) and would need to be funded by the Trust's resources.

While the Trust is aligned to supporting the delivery of Council's cultural, social, economic and environmental wellbeing goals for the city, the final SOI will be improved by outlining the Trust's initiatives and capabilities in support of these.

The Trust's SOI discusses its commitment to support Council's policies and strategies. The final SOI will be improved by discussing how the Trust's intends to contribute to Council achieving its targets for Te Atakura and waste minimisation.

In terms of governance, the Trust's final SOI could include its commitment to supply Council with a skills matrix for the trust board, updated annually.

COUNCIL SUPPORT FOR COVID-19

- In its 2020/21 annual plan, Council made provision for essential funding support related to COVID-19 of up to \$5.0 million for its CCOs.
- At the same time the Council has also provided the Trust with a Letter of Comfort to acknowledge that financial support may be required after 2020/21, and that the Council will provide such support where necessary to maintain financial viability.
- To date the Trust has not received funding support from this reserve and the Trust does not anticipate that it will require funding support to 30 June 2021.
- The draft Long Term Plan does not make provision for funding CCOs trading losses in 2021/22 but it does note that ongoing lockdowns and closed borders could present a risk that Council may be called upon to support.
-

SUMMARY FINANCIALS (\$000)

FINANCIAL PERFORMANCE (\$000)					
	Actual	Forecast	Draft SOI	Draft SOI	Draft SOI
30 JUNE	2020	2021	2022	2023	2024
Total Revenue	1,605	1,005	1,846	1,085	1,174
Total Expenses	1,599	947	1,819	1,078	1,165
Net Surplus (Loss)	6	58	26	7	10

SUMMARY FINANCIALS (\$000)

FINANCIAL POSITION					
Total Assets	777	775	796	789	816
Total Liabilities	194	134	129	115	132
Equity	583	640	667	674	684
CASH FLOWS					
Total Net Cash Flows	71	46	(28)	(50)	(21)
Opening Cash	152	223	269	241	191
Closing Cash	223	269	241	191	170

In terms of funding, the Trust aims to achieve a breakeven budget and the SOI budgets demonstrate this intention. The Trust's financial forecasts show stable financial position. The main risks include...

- Cancellation or further postponement of the ICC Women's World Cup.
- COVID-19 impacting the ability to host events (i.e. gatherings of >100).

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 2020	Forecast 2021	Draft SOI 2022	Draft SOI 2023	Draft SOI 2024
30 JUNE					
Number of event days					
Cricket events (days)	48	50	55	50	55
Other sports events (days)	12	25	20	25	25
Practice facility usage (days)	67	100	100	100	100
Community events (days)	7	21	3*	30	35
Functions (days)	76	76	40	40	50
Numbers attending events^	54,415	55,000	74,150	41,000	41,000
Event income	\$203,856	\$309,200	\$1,127,340	\$350,000	\$420,000
Council operating grant	\$680,438	\$694,659	\$718,040	\$735,000	\$754,000
Operational grant per attendance	\$12.50	\$12.63	\$9.68	\$17.93	\$18.39

* reduction due to ICC Women's World Cup and ground exclusivity requirements

^ excludes open to public events

The Trust has omitted to provide target utilisation figures for years 2 and 3 in the draft SOI. These targets have been provided separately (included here) and will be included in the final SOI.

11. KARORI SANCTUARY TRUST

OFFICER SUMMARY

The Karori Sanctuary Trust (trading as ZEALANDIA) has presented its draft Statement of Intent for 2021/22 (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.

ZEALANDIA'S guiding vision is 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. Conservation and restoration work within the sanctuary remains a core element of its work. This vision, and the plans that underpin it, is consistent with, and supportive of, Council's four wellbeing goals.

ZEALANDIA is committed to the delivery of the Council's vision for Wellington 2040 and will support the successful delivery of the 2021-31 Wellington City Long Term Plan when finalised. This commitment extends to:

- Te Tiriti o Waitangi, and the growth of the foundation in te ao Māori with over 500 volunteers currently supporting the work.
- Furthering the environmental leadership role through learning with its education resources and programmes used by schools nationwide. ZEALANDIA will continue delivering the Learning Experiences Outside of the Classroom (LEOTC) contract and other education programmes enabling schools to experience the variety of ecosystems and species, and to empower them to explore the wildlife in their own environments and start their own environmental and conservation activities.
- The Centre for People and Nature that will continue to support capability growth in socio-ecological research through the Future Leaders Fund, and the research and community engagement to support the ongoing transformation in how people live with nature.
- Enhancing the Halo project and biodiversity and have accessible information for everyone, including people with physical, hearing or sight impairments.
- Build on a continuous improvement culture. In 2019/20 ZEALANDIA invested \$24k in staff training to continue to support staff professional development.

The Sanctuary to Sea Kia Mouriora te Kaiwharawhara project is a multi-year initiative and is growing the community involvement and partnerships for its delivery and supporting mana whenua aspirations.

The Trust will continue to recognise the strategic priorities of Council as an important part of its strategic context, and to align its strategies and priorities closely with those of the Council. When required, the Trust will work with Council on the development of its new strategies in the areas of economic development, arts and culture, and children and young people.

ZEALANDIA will improve accessibility where possible in line with the goals in the Accessible Action Plan 2019-22. This includes accessible information for everyone, redeveloping the website to provide a more relevant and integrated user experience and improve the functionality of the pāteke room conference facilities by installing sound proofing and conference lighting.

The Trust will continue to contribute to the goals outlined in Te Atakura, the First to Zero strategy through its continued commitment to being an environmentally responsible organisation. It has been Toitū Envirocare carboNZero certified for the last six consecutive years and is committed to maintain the accreditation.

ZEALANDIA's 'Green Team' will continue working with staff to improve sustainability practices. The high reduction in emissions this year is due to two electric passenger buses (replacing the diesel fleet) and the impact of closing the sanctuary for seven weeks under NZ's Alert Level 4 COVID-19

lockdown.

The Trust remains resilient in the current environment and will continue to show this same can-do attitude. It will work closely with WellingtonNZ to position Wellington as an attractive destination for New Zealand domestic tourists, develop products to have greater appeal to that market, build on its strategy for continuous improvement and develop its staff and volunteers to maintain high levels of visitor satisfaction.

WellingtonNZ is a key partner of the Trust. Other close partnerships include but not limited to mana whenua, Greater Wellington Regional Council, the Department of Conservation, Predator Free Wellington and the Tanglewood Foundation NZ. The Trust also holds strong relationships with other key partner entities such as Wellington Zoo, Victoria University of Wellington, and the Biological Heritage National Science Challenge (to name a few).

The Trust board is committed to managing its working capital as this enables managing future financial risk in these uncertain times. It will continue to raise funds to support and expand its formal and informal education programmes, with a focus on opportunities for those less able to access conservation experiences and learning.

The Board has approved funding for the development of the Centre for People and Nature (Tanglewood House) and this funding has been secured and ring-fenced in the budgets. The funding includes the contribution from Council (per Council's 2018-28 LTP).

The resource consent and preliminary design phases of the project have been completed. Detailed design and building consent stages are expected to be completed in early 2021/22 and the project will move to construction following this.

In 2021/22 the Trust will continue to implement the Council's Living Wage policy for its employees. The draft SOI indicates that the Trust expects that Council will continue to provide funding support for the additional costs incurred by the Trust in supporting this Council policy on an ongoing basis. However, Council does not budget for this and the Trust's final SOI will be improved by identifying this as a risk and acknowledging that Council does not budget to fund future costs associated with ZEALANDIA maintaining Council's Living Wage policy.

The Trust is now maintaining a board skills matrix where it will be reviewed annually. Consideration is given to any skills gap when there is a vacancy on the Board.

COUNCIL SUPPORT FOR COVID-19

In its 2020/21 annual plan, Council made provision for essential funding support related to COVID-19 of up to \$5.0 million for its CCOs.

At the same time the Council has also provided the Trust with a Letter of Comfort to acknowledge that financial support may be required after 2020/21, and that the Council will provide such support where necessary to maintain financial viability.

Council's COVID-19 support fund is based upon CCOs first utilising reserves that are not tagged for other purposes (e.g. planned or committed capital expenditure). The fund is not expected to maintain the balance sheets of CCOs (i.e. untagged cash reserves), which may be utilized to support trading through the impact of COVID-19.

ZEALANDIA will maintain reserves of \$3.0m which includes \$1.8m committed capital expenditure for Tanglewood House plus \$1.2m working capital (equal to three months operating expenditure).

To date the Trust has not received funding support from this reserve and the Trust does not anticipate that it will require funding support to 30 June 2021.

The draft Long Term Plan does not make provision for funding CCOs trading losses in 2021/22 but it does note that ongoing lockdowns and closed borders could present a risk that Council may be called upon to support.

SUMMARY FINANCIALS

Despite the challenging operating environment in the last quarter of 2019/20, ZEALANDIA completed the financial year with a modest operating deficit of \$100,000 (after adjusting for one-off income items). The Trust also finished the year with a healthy balance sheet and a clear plan for tackling the challenges of 2020/21.

At year end the Trust's working capital balance was \$2.96m including \$1.8m committed to the Tanglewood House project and scholarship funding. The remaining \$1.2m was the Trust's working capital reserve agreed with the Board to cover a potential 2020/21 budget deficit which includes at least three months of operating expenses.

FINANCIAL PERFORMANCE (\$000)					
	Actual 2020	Forecast 2021	Draft SOI 2022	Draft SOI 2023	Draft SOI 2024
30 JUNE					
Total Revenue	6,437	5,906	4,991	5,326	5,436
Opex before Depn	5,175	5,641	4,991	5,326	5,436
EBITDA*	1,262	265	0	0	0
Net Profit (Loss)	903	(94)	(400)	(500)	(500)
FINANCIAL POSITION					
Total Assets	7,045	6,906	6,276	5,751	5,261
Total Liabilities	971	925	695	670	680
Equity	6,074	5,981	5,581	5,081	4,581
CASH FLOWS					
Total Net Cash Flows	379	1,840	(2,430)	(75)	(40)
Opening Cash	1,420	1,799	3,638	1,208	1,133
Closing Cash	1,799	3,638	1,208	1,133	1,093

*Earnings before Interest, Tax, Depreciation & Amortisation.

The level of uncertainty on ZEALANDIA's operating environment as a consequence of the pandemic continues. While ZEALANDIA is experiencing the benefits of a resurgence in domestic tourism the board has assumed there will be no international tourism of any significant scale in 2021/22 (the same assumptions as the current year).

The Trust's 2020/21 forecast indicates an operating surplus of \$265k (before depreciation) in the current year while 2021/22 and the following two years forecast a break-even position and the Trust's balance sheet is able to sustain this.

KPI DASHBOARD

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

	Actual 2020	Forecast 2021	Draft SOI 2022	Draft SOI 2023	Draft SOI 2024
30 JUNE					
Non-financial					
Visitors	143,367	100,713	70,000	91,000	95,000
Individual members	14,021	17,892	15,000	15,200	15,400

KPI DASHBOARD

Students & education visits	8,051	7,227	9,000	9,000	9,000
Satisfaction rating	95.3%	>95%	>95%	>95%	>95%
Volunteer numbers	445	>500	>500	>500	>500
Financial					
Average subsidy per visit**	\$6.13	\$12.85	\$13.04	\$10.18	\$9.90
Average revenue per visit***	\$37.08	\$27.01	\$27.28	\$27.55	\$27.83
Non-Council donations & funding	\$1,049,397	\$235,506	\$200,000	\$200,000	\$200,000

** total WCC operating grant/visitors

*** excl. grants & interest

Conservation Measures

30 June	2021	2022	2023	2024
Manawaroa: We actively restore ecosystem function to foster resilience				
Number of fauna or flora species transferred into or out of the sanctuary, or 'topped up'.	1	1	1	1
Percentage of bird community that is native	80%	80%	80%	80%
Kaitiakitanga: We look after what we have alongside our many partners				
Percentage of incursions into the mouse-free area eradicated or under active management	100%	100%	100%	100%
Mice maintained to target levels (abundance per 100 trap nights)	5.7	<10	<10	<10
Percentage of pest animal incursions successfully eradicated or under active response	100%	100%	100%	100%

12. WELLINGTON CABLE CAR LIMITED

OFFICER SUMMARY

The Wellington Cable Car Limited (WCCL) has presented its draft Statement of Intent for 2021/22 (SOI) and it responds positively to Council's expectations. The dominant message in this SOI is the difficult operating environment resulting from COVID-19 and the financial pressures caused by the pandemic.

The Cable Car is one of Wellington's best-known tourist attractions and in pre-COVID-19 times it was the second most visited tourist attraction in the city (after Te Papa) welcoming over a million passenger trips a year. Many of these passengers were visitors to Wellington.

For many years, WCCL has been profitable with the autonomy to not require funding assistance from Council and the ability to fund its ongoing maintenance, CAPEX, and asset renewals. The company differs from most of this Council's CCOs in that it owns its assets (tracks, bridges, stations and terminals, and cable cars) and it does not receive grant funding from Council to support its operations.

The company's revenue (and profitability) is 100% exposed to its operating environment and it must also fund the maintenance, renewal and replacement of its assets, which are critical to the safe operation of its service but are aging and in need of regular investment. The company's SOI

articulates this and discusses the measures taken already in response to the economic challenges and considers future scenarios and opportunities. The SOI also addresses Council's expectations in the context of its current challenges.

Like many other businesses in Wellington, the Cable Car has refocussed its offering to a predominantly domestic market, choosing to target a family-friendly offering and collaborate with other CCOs and businesses around Kelburn such as Space Pace, the Cable Car Museum, Zealandia, and the Botanic Gardens.

The Cable Car is more reliant than ever on events in Wellington to attract customers, especially domestic tourists. WOW, music concerts, festivals, and sporting fixtures will help bring Kiwis into the city and ride the Cable Car.

COVID-19 has caused a 55% reduction in passengers compared to the company's 'base case' year in 2018/19 when the company last carried in excess of 1 million passenger trips for the year. This is the level of activity that the company aims to return to and that provides the financial autonomy that the business is used to.

The loss of the high yielding international market (especially cruise ship passengers) and flexible working patterns where fewer people are coming to the city each day, combined with increases in operational costs, has created a very challenging environment. For example, in the last 12 months, the company's insurance premium has increased by \$142k or 34%, negating a significant portion of operational savings achieved elsewhere in the business.

In 'right sizing' the organisation for this economic environment, the company has reduced its staff numbers by 20% and altered its timetable service to optimise its losses, i.e. it has ceased operating at times of significant financial loss while maintaining its service throughout the day when utilisation is higher (on average). The company will continue to reflect on its usage and adjust timings to suit seasonality and forecast demand.

The Cable Car is planning on another year with only domestic visitation. In the longer term, there is consideration being given to the possibility that we may never see the return of the volume of cruise ships arriving in Wellington, which highlights the importance of efficient operation and appropriate market appeal.

The aim with pricing is to maximise profit and passenger numbers. It is always a balance to set prices that represent value for all customers; typically, tourists have different expectations than local commuters. The last price adjustment for Casual Fares was July 2018, and Family and Multi-Trip passes had a price adjustment in February 2020. In 2021 a price adjustment will need to be made to keep in step with rising operational and employment costs.

If international tourism does not return in the next 18 months, the Cable Car will continue to post deficits that erode its cash reserves and constrain its ability to fund ongoing maintenance and future asset renewal programmes. The WCCL board has considered several different scenarios, however these could potentially have significant impacts on the community and the vibrancy of the city. These options include:

- Operating the Cable Car during peak commuter service only until demand increases to profitable levels.
- Rolling stops during the day to achieve worker break requirements as an alternative to additional staff to cover rest and meal breaks.
- Hibernate the service through winter or until international borders re-open and tourists return.
- Reduce the number of assets insured (e.g., the intermittent stations) to reduce increasing premiums.

The Cable Car has recently completed a high-level seismic assessment of the Lambton Terminal and will continue with detailed assessments and improvements (where necessary) to all its infrastructure. The intermediate stations are serviceable, but the stations at Talavera and Salamanca may require improvements to meet current safety standards.

In response to the current environment, all non-essential CAPEX and maintenance work remains

deferred. Some important planned work includes:

- Increasing its understanding of its asset base with ongoing exploratory work on bridges, terminals, stations, and the track to help make informed decisions on prioritising maintenance work.
- Replace and refurbish the 4th and 5th bogies, respectively.
- Ongoing work on the track that will be scheduled during annual shutdowns.
- Assess the seismic performance of the tunnels. While there are no immediate safety concerns, several options to improve seismic resilience have been identified.

In recent times, the Cable Car has been solely by passenger revenue and has not received any other central or local government funding to subsidise it. This year the company has sought funding for a six-year programme of seismic strengthening of its tunnels (originally constructed in 1902), bridges and the Lambton terminal (costing \$6.9m). The plans include \$2.4m funding from the Waka Kotahi Regional Land Transport Programme (RLTP) and \$4.5m from Council via the 2021-31 Long Term Plan. If the RLTP is not approved, the company will need to fund the \$2.4m from its reserves. The full \$6.9m funding is budgeted to be spent during years 1 to 6 of the LTP (2021/22 to 2026/27).

The company is aligned to supporting the delivery of Council's cultural, social, economic and environmental wellbeing goals for the city, and the SOI identifies the company's initiatives and capabilities in support of these.

- The Cable Car is fully electric and prides itself on being an efficient mode of transport. The Cable Car also has regenerative braking, so the energy to slow and stop the Cars under normal operation is fed back into the local electricity network. Because of this, we are described as a distributed generator. In 2020 WCCL commissioned an Energy Emissions Profile and a type 1 Energy Audit. The company has implemented several recommendations and is looking for opportunities to improve its performance and plans to work with Council's Climate Change Response Team to develop an emissions reduction plan this year.
- As the Cable Car facilities are progressively upgraded, the company will seek ways to incorporate Te Reo into wayfinding and other signage and plans to improve the signage and wayfinding at both the Lambton Quay and Kelburn terminal areas.
- The Cable Car supports local artists wherever possible and will continue to look for ways to use local artwork to enhance the visitor experience and to work with artists to provide them with a platform to show their art. WCCL will continue to support other Council-led initiatives such as, "What if the city was a Theatre?"
- The company supports Council's commitment to Living Wage by paying all employees at or above the Living Wage. It's commitment to the economic wellbeing of Wellington is also demonstrated by its ongoing service in the face of significant economic challenges, and its immediate responses and future plans to ensure that it will continue to deliver its service to Wellington.

COUNCIL SUPPORT FOR COVID-19

In its 2020/21 annual plan, Council made provision for essential funding support related to COVID-19 of up to \$5.0 million for its CCOs.

At the same time the Council has also provided the company with a Letter of Comfort to acknowledge that financial support may be required after 2020/21, and that the Council will provide such support where necessary to maintain financial viability.

Council's COVID-19 support fund is based upon CCOs first utilising reserves that are not tagged for other purposes (e.g. planned or committed capital expenditure). The fund is not expected to maintain

the balance sheets of CCOs (i.e. untagged cash reserves), which may be utilized to support trading through the pandemic.

As noted above, the company owns and operates its assets which include tunnels, bridges, stations & terminals, and cable cars. The service needs to meet regulatory safety standards and maintain a high public safety threshold. Investment in the maintenance and renewal of these assets is critical and the company's cash reserves are effectively tagged for this work.

To date the company has received \$533,037 from this reserve covering the first six months trading to 31 December 2020. The Trust is forecasting that it will need a further \$567,000 from the reserve for remaining six months to 30 June 2021 – totalling \$1.1m for the 12 months to 30 June 2021.

The draft Long Term Plan does not make provision for funding CCOs trading losses in 2021/22 but it does note that ongoing lockdowns and closed borders could present a financial risk that Council may be called upon to support.

The company advocates carrying forward any unutilised budget from the current year to 2021/22, in the event it should be required.

SUMMARY FINANCIALS

The Cable Car is destined to remain in survival mode until international borders re-open and high yielding visitors return in greater volumes. Given that the Cable Car is fully exposed to fare revenue and owning and managing its aging assets, the company is acutely exposed.

In response, WCCL has reviewed its business model, reorganised itself with a leaner, more innovative, and efficient team. These initiatives have significantly reduced operational costs, slowing the erosion of cash reserves however, rising insurance costs negate some of these savings.

FINANCIAL PERFORMANCE (\$000)					
	Actual 2020	Forecast 2021	Draft SOI 2022	Draft SOI 2023	Draft SOI 2024
30 JUNE					
Total Revenue	3,049 [^]	1,719	1,839	2,587	3,400
Total Expenditure	3,670	3,179	3,219	3,173	3,537
Surplus/(Deficit)	(299) ^{^^}	(1,459)	(1,380)	(686)	(137)
FINANCIAL POSITION					
Total Assets	11,880		8,936	8,274	8,164
Total Liabilities	1,304		1,200	1,225	1,252
Equity	10,576		7,736	7,050	6,913
CASH FLOWS					
Total Net Cash Flows	(910)	(1,409)	(1,085)	(363)	174
Opening Cash	5,007	4,097	2,688	1,603	1,239
Closing Cash	4,097	2,688	1,603	1,239	1,413

[^] includes wage subsidy of \$139k

^{^^} after tax refund of \$321k

In 2018/19 (considered a baseline year), the cable car carried 1.1m passenger trips and earned passenger revenue of \$3.5m. In 2019/20, passengers decreased to 862k (passenger revenue \$2.8m) and this year is forecast to drop to 517k passenger journeys.

The 55% decline in passenger travel over the period is mirrored in the financial results across the same period. In 2018/19 (baseline year) the company posted a pre-tax profit of \$930k. This reduced to a deficit of \$620k in 2019/20 and in the current year a deficit of \$1.4m is expected. Council's

SUMMARY FINANCIALS

COVID-19 support funding will be needed.

Without international visitation, the Cable Car will continue to deplete its reserves for the next two years, including funds set aside for asset replacement. High yielding international tourists to Wellington have been supporting the Cable Car's domestic market for some time and are needed help maintain the balance of fare price and utilisation.

The support provided by Council from the 2020/21 COVID-19 recovery fund and the inclusion of the Cable Car tunnel strengthening in the 2021-31 LTP will be important in managing the company's future capital funding requirements.

KPI DASHBOARD

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

	Actual	Forecast	Draft SOI	Draft SOI	Draft SOI
30 JUNE	2020	2021	2022	2023	2024
Passengers	862,487	516,957	602,490	843,486	1,096,532
Fare income (\$000)	3,049	1,719	1,839	2,587	3,400
Passenger Satisfaction					
Customer satisfaction (ratings of good or very good)	91.4%	n/a	withdrawn	withdrawn	withdrawn
Independent satisfaction survey: Net Promoter Score	New	n/a	above CXI benchmark	above CXI benchmark	above CXI benchmark
TripAdvisor and Google ratings (out of 5)	4.3	n/a	4.2	4.2	4.2
Customer complaints 0.002%	0.0013%	n/a	0.0020%	0.0020%	0.0020%
Qualmark standard maintained	New	n/a	Gold	Gold	Gold
Service Reliability					
% trips starting on time	99.94%	n/a	> 99.0%	> 99.0%	> 99.0%

In 2018/19 the company introduced a customer satisfaction survey to replace the Council's Residents Awareness Survey. The satisfaction survey was a move by the company toward understanding more about its performance in delivering its core activity. In 2019/20 the company introduced further measures of passenger satisfaction in an effort to understand more about its customers.

Council supports the company's ongoing efforts to understand its customers and to measure the impact it has with a range of initiatives to grow utilisation and profitability.

13. WELLINGTON MUSEUMS TRUST

OFFICER SUMMARY

The Wellington Museums Trust (trading as Experience Wellington) has presented its draft Statement of Intent for 2021/22 (SOI) and it responds positively to the sub-committee's letter of expectations. The SOI outlines Experience Wellington's key focus areas, challenges, and opportunities.

Experience Wellington runs six visitor experiences for Wellington City Council: Capital E, Space Place at Carter Observatory, City Gallery Wellington, Nairn Street Cottage, Wellington Museum (including the Plimmer's Ark display in the Old Bank Arcade) and the Cable Car Museum. It also provides some support to the operation of the New Zealand Cricket Museum.

In 2021-22 Experience Wellington plan to:

- Raise \$3.996m (28%) of operating costs from trading initiatives and fundraising.
- Receive a 90% approval rating from visitors for the quality of their experience.
- Expand its reach via websites and social media channels to engage with over 200,000 visitors.
- Attract over 480,000 on-site visitors, of which, around 38,000 will be children and young people visiting for a learning experience.
- Continue to refine its operating model and improve systems and processes to streamline its business - targeting a return to a break-even position in 2022-23.

Key programmes in 2021-22

- Hilma Af Klint: The Secret Paintings: This is the third in a series of high value exhibitions that bring the best of international art to New Zealand. This exhibition has sold out in New York and London and will be a driver of domestic tourism and bolster the capital's reputation as a leader in arts experiences.
- The Navigators: Space Place's first full production planetarium show will launch during Matariki 2021.
- Leaving Home: Leaving Home will be a time of community outreach for Wellington Museum that will occur when the building is closed for seismic strengthening (expected to be in 2023). Planning for this will begin in 2021-22.
- Maturau (Working Title): Opening free in April 2022 and curated by Wellington-based Māori artist, educator, curator, and writer Shannon Te Ao, Maturau will bring together new and existing artworks that examine what it means to be an artist working within Te Ao Māori at a time of COVID-19.
- Creative Collider: Will host a residency to help artists and performers to shape their ideas for new work for children, leveraging the expertise of Capital E.
- Wellington On A Good Day (Working Title): Experience Wellington will refresh the exhibitions on the ground floor of Wellington Museum. A humorous and wide-ranging look at Wellington through the saying, 'You can't beat Wellington on a good day'.
- National Theatre for Children: In 2021-22, the company will be touring a favourite show: Seasons. This new iteration of a much-loved show will bring together an innovative approach to digital puppetry and soundscapes to bring the experience to life for a new generation of youngsters. For older children, Story Studio Live, a work that has been developed with young people to place children's voices at its heart will visit schools across the country. The show will explore through young people's eyes the way we and our planet interconnect, and how delicate that relationship truly is.

Experience Wellington is closely aligned to supporting the delivery of Council's cultural, social,

economic and environmental wellbeing goals and the SOI describes the Trust's alignment with each.

- Cultural wellbeing: Experience Wellington is a mainstay of Wellington's arts, culture and heritage landscape.
- Social wellbeing: Working together, with and for Wellington, to create remarkable experiences that generate vitality: strengthening the city we love.
- Economic wellbeing: Active supporters of the artists and businesses that make up the ecosystem, and will continue to leverage funding and profile, attracting domestic visitors to ensure the city's reputation as the Arts Capital of New Zealand is retained.
- Environmental wellbeing: The Environmental Sustainability Committee lead and encourage initiatives for staff including environmental workshops, competitions and events, and actively support the reduction of waste and availability of recycling in all exhibitions and activities.

The Trust's Accessibility and Inclusion Committee lead its commitment to the principle that access is a human right not a privilege or favour, and that an environment of accessibility and inclusion has universal benefit. Initiatives include multi-language brochures, sign language introductions at each venue and a commitment to ensure that facilities, exhibitions, and public programmes are welcoming and accessible, accommodating all abilities.

The draft 2021-31 LTP includes funding for seismic strengthening of the Bond Store. The Trust has an integrated fundraising plan for exhibition content underway. The approach will include targeting the New Zealand Lottery Grants Board and other grant-giving bodies, as well as approaches to corporates and individuals. While strengthening is underway, the Wellington Museum team will launch Leaving Home - while the building is closed the Museum won't be. The planning includes delivering more activities across our other Experience Wellington sites as well as outreach, and pop ups across the city through partnerships with other events and sites across the Wellington City Council network.

COUNCIL SUPPORT FOR COVID-19

In its 2020/21 annual plan, Council made provision for essential funding support related to COVID-19 of up to \$5.0 million for its CCOs.

At the same time the Council has also provided the Trust with a Letter of Comfort to acknowledge that financial support may be required after 2020/21, and that the Council will provide such support where necessary to maintain financial viability.

Council's COVID-19 support fund is based upon CCOs first utilising reserves that are not tagged for other purposes (e.g. planned or committed capital expenditure). The fund is not expected to maintain the balance sheets of CCOs (i.e. untagged cash reserves), which may be utilized to support trading through COVID-19.

The Trust is forecasting a net deficit (adjusted for depreciation) for the for the full year to 30 June 2021 of \$430,000. To date the Trust has received \$333,875 from this reserve covering the six months trading to 31 December 2020. The balance to support the forecast full year deficit of \$430k is \$52,370 bringing the total support for the year to \$386,245.

The Trust has prepared its SOI on the basis that it will receive a further \$917,000 from Council in 2021/22. Officers are working with the Trust to understand this position and to ensure that the Trust returns to its breakeven operating budget in future.

The draft Long Term Plan does not make provision for funding CCOs trading losses in 2021/22 but it does note that ongoing lockdowns and closed borders could present a risk that Council may be called upon to support.

SUMMARY FINANCIALS

FINANCIAL PERFORMANCE (\$000)					
30 JUNE	Actual 2020	Forecast 2021	Draft SOI 2022	Draft SOI 2023	Draft SOI 2024
Total Revenue	13,244	13,345	14,245	12,809	13,120
Total Expenses	13,303	13,345	14,245	12,809	13,120
Net Surplus (Loss)	(44)	0	0	0	0
FINANCIAL POSITION					
Total Assets	7,028	6,862	6,162	6,040	6,040
Total Liabilities	2,582	2,144	1,444	1,322	1,322
Equity	4,446	4,718	4,718	4,718	4,718
CASH FLOWS					
Total Net Cash Flows	471	(75)	(700)	192	0
Opening Cash	1,082	1,553	1,478	778	970
Closing Cash	1,554	1,478	778	970	970

2021/22 budget assumptions:

- Council grant funding totalling \$10.561m
 - \$7.875m in operating grants,
 - \$1.769m rental grant, and
 - \$0.917m COVID-19 recovery grant (Council has not budgeted for this funding).
- Underwrite for Space Place \$0.184m.

Operating environment assumptions:

- 2021/22 visitor target is 480,420 people.
- Cruise ship business does not resume until Q3 2023.
- The Trans-Tasman air travel bubble mooted from Q1 will have a minimal effect on visitor numbers.
- International borders are unlikely to open until Q3 2021-22 for restricted travel.
- Domestic visitors are expected to return to BAU levels.
- Regional education groups and national school groups are expected to return to BAU levels.
- Reduced access to, and delays receiving, international content.

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.

The proposed earthquake strengthening of the Bond Store (the home of Wellington Museum) could mean a period of closure of two years which would affect visitation and revenue generation. The potential impacts from a possible closure are not reflected in the KPIs presented below.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

7 APRIL 2021

KPI DASHBOARD

	Actual 2020	Forecast 2021	Draft SOI 2022	Draft SOI 2023	Draft SOI 2024
30 JUNE					
Council subsidy per visit	\$14.55	\$29.47	\$18.30	\$15.84	\$15.41
City Gallery	\$22.07	\$43.34	\$17.64	\$22.10	\$21.43
Museums Wellington*	\$7.25	\$15.52	\$10.15	\$8.19	\$7.19
Capital E	\$21.74	\$39.26	\$32.52	\$18.26	\$25.79
Space Place	\$12.63	\$23.56	\$8.85	\$8.37	\$7.79

Subsidy per visit is based on the probable percentage of the operating grant allocated as follows:

- City Gallery Wellington **30%**
- Museums Wellington (Wellington Museum, Cable Car Museum and Nairn Street Cottage) **26%**
- Capital E **22%**
- Space Place **4.9%** plus the cash underwrite
- Experience Wellington Executive Office **17.1%**

NON-COUNCIL REVENUE	Actual 2020	Forecast 2021	Draft SOI 2022	Draft SOI 2023	Draft SOI 2024
30 JUNE					
Trading Revenue					
City Gallery	235	99	740	120	219
Museums Wellington*	808	144	536	398	754
Capital E	297	127	138	338	277
Space Place	469	136	490	300	438
Sub Total	1,809	506	1,904	1,156	1,688
Sub-letting, Interest & Other	932	30	30	30	30
Subtotal Trading Revenue	2,741	536	1,934	1,186	1,718
Fundraising					
City Gallery	165	395	560	198	198
Museums Wellington*	152	100	116	99	99
Capital E	534	942	623	602	602
Space Place	81	485	78	78	78
Trust Office	n/a		520	543	543
Sub Total	932	1,922	1,897	1,520	1,520
Total Non-Council Revenue					
City Gallery	400	494	1,300	318	417
Museums Wellington*	960	244	652	497	853
Capital E	831	1,069	761	940	879
Space Place	550	621	568	378	516
Trust Office	n/a		520	543	543
Sub Total	2,741	2,428	3,801	2,676	3,208
Sub-letting, Interest & Other	932	30	30	30	30
Total Non-Council Revenue	3,673	2,458	3,831	2,706	3,238

KPI DASHBOARD

Assumptions

- Experience Wellington expect to generate \$3.996m non-Council revenue underscored by the Navigators Project, Hilma af Klint, and a more certain operating environment for domestic visitation.
- Retail offerings are budgeted to earn \$0.621m.
- \$0.283m is realised from venue hire, based on a downturn in larger bookings.
- \$0.312m from sponsorship, \$0.258m via donations and \$1.328m in grant revenue. The Trust expects to raise a further \$0.440m from general cultural and community grants.
- Creative NZ funding (\$0.533m) and the LEOTC contracts with the MoE (\$0.336m) will continue in 2021-22.

	Actual 2020	Forecast 2021	Draft SOI 2022	Draft SOI 2023	Draft SOI 2024
30 JUNE					
Spend per visit	\$3.38	\$1.93	\$3.96	\$2.21	\$3.17
City Gallery	\$2.11	\$1.76	\$4.93	\$1.06	\$1.91
Museums Wellington*	\$2.75	\$1.06	\$2.37	\$1.51	\$2.54
Capital E	\$3.42	\$2.79	\$2.31	\$3.38	\$3.96
Space Place	\$10.79	\$5.67	\$11.14	\$6.45	\$8.76

The Trust is expecting The Navigators programme at Space Place will increase spend per visit in 2022, returning to its longer-term average in following years.

	Actual 2020	Forecast 2021	Draft SOI 2022	Draft SOI 2023	Draft SOI 2024
30 JUNE					
Learning Experience Visitation^					
City Gallery	2,410	4,500	4,500	4,500	4,500
Museums Wellington	3,136	3,500	7,000	7,000	7,000
Capital E	31,995	10,000	23,400	36,200	23,400
Space Place	4,585	3,000	3,500	3,500	3,500
TOTAL	42,126	21,000	38,400	51,200	38,400

^The number of students (aged 0-18 years) participating in a learning experience organised by their education provider. Includes curriculum aligned learning experiences which are supported by the Ministry of Education through its LEOTC programme and self-directed and outreach learning experiences.

The Trust expects school visitation to return to normal from Q1 of 2021. The 10th Capital E National Arts Festival for Children will take place in 2023 deferred from 2021.

	Actual 2020	Forecast 2021	Draft SOI 2022	Draft SOI 2023	Draft SOI 2024
30 JUNE					
Total Visitation					
City Gallery	111,365	56,200	150,250	112,700	114,900
Wellington Museum	100,165	56,000	100,000	110,000	120,000
Capital E	86,821	45,500	59,770	100,000^	70,000
Cable Car Museum	192,915	79,000	125,000	152,000	175,000

KPI DASHBOARD

Space Place	43,449	24,000	44,000	46,500	50,000
Nairn Street Cottage	706	1,000	1,400	1,600	1,800
TOTAL	535,421	261,700	480,420	522,800	531,700

^ The 10th Capital E National Arts Festival for Children will take place in 2023 deferred from 2021.

The visitation targets anticipate negligible international visitors for the 2021-22 year, the Hilma Af Klint exhibition at City Gallery and construction works on Te Ngākau Civic Square.

14. WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LTD

OFFICER SUMMARY

Wellington Regional Economic Development Agency Ltd (trading as WellingtonNZ) has presented its draft Statement of Intent for 2021/22 (SOI) and it responds constructively to the letter of expectations of the Wellington Regional Strategy (WRS) committee. This summary does not condense the SOI but identifies some of the significant themes.

WellingtonNZ is owned jointly by this Council (WCC – 80%) and Greater Wellington Regional Council (GWRC – 20%). The company is governed by an independent Board of Directors who are appointed by the shareholders. WellingtonNZ reports through to the WRS committee which consists of mayors from Territorial Authorities across the region, and WCC and GWRC councillors. It is the WRS committee that is the author of the letter of expectations that has shaped the draft SOI.

Funding for WellingtonNZ's activities comes from the two shareholding councils, from central government agencies who contract WellingtonNZ to perform specific services, and a range of private sector partners.

WellingtonNZ also manages the operation of the Council's civic venues under the Venues Wellington brand. This role includes sales, facilities management, event operations and customer experience.

WellingtonNZ is also the owner of a subsidiary company, Creative HQ Ltd. Creative HQ provides business incubation, acceleration, and innovation services. Creative HQ has its own independent Board, including a WellingtonNZ Director and the WellingtonNZ CEO.

In the 2019/20 financial year and in response to the impact of COVID-19 on the regional economy WellingtonNZ supported thousands of businesses and facilitated:

- \$115m in direct economic impact from WellingtonNZ activities
- \$1.4m in professional service vouchers to support business
- \$2.3m in research and development grants to drive innovation
- \$91m in out of region spend from major events, and events in our venues
- \$30m in equivalent advertising value from positive media coverage about Wellington
- \$2.2m in investment into Creative HQ incubated businesses

WellingtonNZ will play a leading role in re-establishing and sustaining confidence within the region.

Draft SOI

WellingtonNZ supports economic performance across the region to enhance prosperity, vibrancy and liveability for the people who live and work in the region. The company markets Wellington as a destination for visitors, migrants and investors; it helps businesses grow and innovate; it advocates for Wellington's economy and attracts and promotes major events and runs this Council's civic

venues.

Its programmes, projects and initiatives are designed to act as catalysts, helping Wellington to unlock more of its economic potential. The various teams at WellingtonNZ work across regional development, destination attraction; events and experiences; and marketing and communications.

Key programmes of work to create jobs for the future include the Maori economic development and business support programme, leveraging NZ's status as a safe and attractive film destination, the Regional Business Partnership Programme, Creative HQ – Incubation Services and Innovation Ecosystem Support, the Regional Growth Framework, Wellington Convention Bureau and supporting Wellington businesses to reactivate (e.g. the Love Local campaign).

In responding to the letter of expectations, WellingtonNZ has identified three focus areas to reflect the expectations of its shareholders. The focus areas draw upon specific challenges in the letter of expectations.

- **Jobs for the future** - Support businesses to grow, innovate and meet future workforce needs
- **Placemaking** - Enhance Wellington's reputation as New Zealand's creative heart
- **Collaboration and engagement** - Working in partnership to support investment in the region

Jobs for the future

The objective is to support businesses to grow, innovate and meet future workforce needs, to ensure more businesses are succeeding and employing more people.

The work programmes discussed in the SOI include:

Maori economic development and business support: WellingtonNZ is looking at how to grow specific support for Maori Businesses via its Kaiwhakatupu Pakihi Māori (Māori Business Growth Advisor). This will see a focus on supporting Maori business, working with mana whenua to help tell the stories of this place and a focus on developing and supporting Maori entrepreneurial activity and skills.

To address **skills and workforce development** in the region, it will continue to support programmes that are targeted at providing intern opportunities for students and create pathways to full employment. Currently the company supports the Summer of Tech and Young Enterprise programmes and will be considering ways to continue to grow the scale and impact of these. Also, a particular area of focus in the Regional Skills Leadership Group would be supporting Mana Whenua and Pasifika communities with skills development programmes for their rangatahi.

Developing the **knowledge-based economy** theme, WellingtonNZ will continue to work closely with businesses to help them recover, reactivate, reimagine, and transform their operations. The activities of CreativeHQ will be important in this regard – including start up incubation, acceleration services and wider enterprise innovation and training activities.

Creative HQ has played a critical role in supporting companies to respond to the many challenges of COVID-19. The opportunity now exists to ramp up this activity to support more start-ups, more entrepreneurs, more innovation, and in doing so support the creation of jobs in our community.

The focus for CreativeHQ during this next SOI period will continue to be in four core areas:

- Incubation services and associated eco-system services for start-up ventures
- Acceleration programmes
- Structured innovation training and associated enterprise capability services (targeting customers from start-ups to corporates)
- Public sector innovation through leveraging GovTech expertise

The core funding provided by WellingtonNZ to CreativeHQ is used to support these services in the Wellington region. In addition, CreativeHQ is building its market reach by providing services nationally and internationally. Activities outside of the Wellington region are funded by third party and commercial partners/contracts.

The **Regional Business Partnership (RBP)** programme and Business Growth teams proved their value in supporting businesses through the initial response phase to COVID-19. WellingtonNZ will leverage the strengthened relationships to deliver greater value to business as it renegotiates the current RPB programme contract in 2021.

Another programme that Wellington NZ will continue to leverage on is the Love Local campaign, which it developed during the initial COVID-19 response phase to “get the tills ringing” and help support Wellington businesses to reactivate.

Placemaking

The objective is to enhance Wellington as New Zealand’s creative heart and to drive more locals and visitors to participate in events and experiences, and drive visitation into local businesses and attractions.

Programmes include:

- **Major events** are a key attraction to stimulate economic and social recovery with cross-sector benefits (hospitality, retail, accommodation etc). Its Major Events team will administer and monitor the Wellington Regional Events Fund, provided as part of the New Zealand Government’s Tourism Recovery Package. The fund will focus on securing events for the Wellington region that will drive domestic visitation to the region, increasing tourism spend.
- Coordinating and leveraging the **UNESCO City of Film** accolade through storytelling and working with the screen industry, and local and central government. In its role operating the Wellington regional film office, it will leverage NZ’s status as a safe and attractive film destination to attract and support screen activity in the region. It will work directly with the local industry to build capability, investment, digital export, and infrastructure growth.
- **Destination marketing** activities will tell coordinated, compelling and future focused stories to all key audiences using various marketing channels so that visitors and locals understand the opportunities, benefits, and future potential of the region.
- **Attracting and facilitating investment** that supports business attraction, retention, and growth, to drive job opportunities and economic growth across the region.
- The facilitation and project management lead on the **Regional Trails Framework** and the promotion of trails in the region under the Find Your Wild brand.

Collaboration and engagement

The objective is to work in partnership to support investment in the region to unlock the best outcomes and opportunities for all.

These work programmes include:

- **Regional Economic Development Plan:** The Government has announced significant new funding to support the COVID-19 recovery process and promote regional development. WellingtonNZ will be actively working with stakeholders (including GWRC, Territorial Authorities, and Mana Whenua) to define the regional economic strategy and secure funding support for priority projects in the region. The Government has announced significant new funding to support the COVID-19 recovery process and promote regional development. The company will work with GWRC and territorial authorities to develop a regional economic plan and to build the relationships necessary to both align the region around specific priorities and to secure the funding to support for priority projects in the region.

- **Regional Skills Leadership Group:** The company is actively involved and will help develop specific proposals as priorities are determined. A particular area of focus is likely to be supporting Mana Whenua and Pasifika communities with skills development programmes for their rangatahi.
- Continued border restrictions impact student, tourist, and talent numbers required to deliver and sustain regional economic growth. To mitigate that risk, it will cooperate closely with Auckland Unlimited, ChristchurchNZ and key business and education leaders to ensure Government is aware of the impacts of its decisions and consider all options to safely increase capacity at the border and enable increased numbers of students, tourists and skilled workers into the country.
- WellingtonNZ is working with Council on the development of Council's arts, economic and young peoples' strategies.

Supporting sustainability and a low carbon economy

The SOI dedicates particular attention to *Te Atakura – First To Zero* and supporting sustainability and a low carbon economy.

WellingtonNZ acknowledge that there are significant opportunities to establish and grow new companies focusing on the low carbon economy (CoGo, Mevo, and Hot Lime Labs are just a few examples).

Through the Regional Business Partnership (RBP) programme there is also the opportunity to emphasise the importance of sustainability in business planning, identifying sustainability as an important component of a business's development and provide guidance on how to transition to a low-carbon business model.

Wellington NZ will also participate in initiatives that address tourism sustainability at a national level including participating in MBIE's Sustainable Tourism Framework development.

Other programmes include:

- Focus on developing sustainable/ low carbon tourism business that reduce the environmental impact of visitors.
- Focus on its own internal activities to reduce waste in all forms across the business. It will focus on continuing to reduce waste across its operations and ensure good recycling practices, with a particular focus on working with WCC to improve the performance of the Venues and note the guidance from the Wellington Region Waste Management and Minimisation Plan.
- Work with Venues Wellington delivery partners (e.g. catering partners) to minimise waste and ensure good recycling practices across their operations within the venues.
- Continuing to work with Council across the venues operations to improve the performance in relation to energy consumption, reducing carbon footprint and off-setting where reduction is not possible to be Carbon Zero.
- Participate in the Wellington Region Climate Change Working Group.

Venues Wellington

WellingtonNZ manages the operation of the Council's venues under the Venues Wellington brand – including sales, facilities management, event operations and customer experience.

Business Events and Conferences will continue to play an important role in the Wellington economy, with a near term focus on attracting conferences and business events locally, nationally, and trans-Tasman, while also creating a strong international pipeline for when international travel starts again. This activity will be particularly important to support Tākina coming on-stream in 2023.

Council has signalled its intention to begin a programme of investment in its venues. The draft LTP makes provision for \$40m to upgrade the TSB Arena & Shed Six, the Opera House and the Michael Fowler Centre (in no order of priority). Improved accessibility to Wellington's venues will be included with the current and future upgrades to the venues portfolio.

WellingtonNZ will work with Council to help prioritise the investment to support Council's arts & culture and economic development strategies in the most effective manner. This programme will involve some disruption to the venues portfolio but is balanced by the return of the strengthened and refurbished St James Theatre coming onstream early next year and the Town Hall returning to the portfolio in 2023/24.

Venues Wellington will work proactively with its core hirers to meet their needs, both within existing venues and other venues in the city and will communicate proactively with the market on the status of its portfolio.

SUMMARY FINANCIALS (including CreativeHQ but excluding Venues Wellington)

The summary financials below include CreativeHQ but do not include Venues Wellington as the financial results for the venues are reported within Council's financial position.

FINANCIAL PERFORMANCE (\$000)	Actual 2020	Draft SOI 2022	Draft SOI 2023	Draft SOI 2024
30 JUNE				
Total Revenue	27,658	27,368	30,043	32,178
Total Expenses	27,221	27,218	29,893	32,028
Net Surplus / (Deficit)	380	150	150	150
Comprehensive Revenue & Expense [^]	46			
Total Assets	8,994	6,945	7,406	7,525
Total Liabilities	5,600	4,095	4,406	4,375
Equity	3,394	2,850	3,000	3,150
Total Net Cash Flows	2,215	560	350	50
Opening Cash	2,443	3,500	4,060	4,410
Closing Cash	4,658	4,060	4,410	4,460

[^] after the share of associates & movements in value of investments (at CreativeHQ).

WellingtonNZ receives its primary funding from its shareholding councils. It also receives funding from commercial and government partners. Examples of this include:

- NZTE and Callaghan for the RBP programme;
- Educational institutions for the WISGP programme;
- Partnerships with tourist operators and hotels to support destination marketing and business events attraction;
- Commercial engagements via CreativeHQ.

KPI DASHBOARD

WellingtonNZ has again reviewed its performance framework with the aim of:

- Reducing the number of metrics;
- Ensuring metrics are linked to factors which WellingtonNZ can control and which measure WellingtonNZ's direct impact;
- Measuring outcomes not just outputs;
- Providing greater clarity on the region's return on investment.

WellingtonNZ does confirm that in addition to its headline measures it will continue to measure a range of operational metrics including those that relate to Major Events and Venues Wellington funding (aligned to the expectations of the Funding Agreements), and a range of historical metrics.

Officers will work with WellingtonNZ to ensure that the company's performance management framework retains prior year comparisons for the final SOI.

KEY PERFORMANCE INDICATORS (KPI)	Actual	Forecast	SOI Target
30 JUNE	2020	2021	2022
JOBS FOR THE FUTURE			
Direct economic impact of WellingtonNZ's activities and interventions	\$159.7m	\$115m	\$150m
Number of different business engagements in WellingtonNZ programmes		3,200	2,000
PLACEMAKING			
Equivalent Advertising Value (EAV) from media activity	\$30m	\$25m	\$25m
Value of expenditure generated from events (including business, performance and major events).		\$45m	\$75m
The number of Wellington region residents that attend events.		480,000	500,000
COLLABORATION & ENGAGEMENT			
Stakeholder engagement	91%	80%	Increase
INTERNAL MEASURES			
Financial management		On track	To budget
Funding diversification		25%	30%
Employee engagement	66%	65%	68%
INDIRECT MEASURES OF IMPACT (MOI)			
30 JUNE	2020	2021	Projected 2022
International visitor arrivals through Wellington International Airport - from Australia	114,336	2	30,000
International visitor arrivals through Wellington International Airport - International (exc. Australia)	160,162	4	50,000
Visitor spend - domestic	\$758m	\$900m	\$927m
Visitor spend - other	\$238m	\$100m	\$140m
Total Visitors' nights to our Wellington Region	Dataset change	\$2.236m	\$2.375m
Share of multi-day conferences in the Wellington	Dataset change	22%	22%

KPI DASHBOARD

region			
Population growth due to migration to the Wellington region	7,138	8,000	11,000
Wellington region GDP growth	2.6%	2.0%	1.5%
Number of Filled Jobs in our Region	246,296	251,000	255,000
Number on Jobseeker Support benefit – Work Ready	13,677	14,500	12,500
Mean Annual Earnings of people in employment in the Wellington region^		\$70,814	\$72,372
^Treasury forecasts only entire NZ workforce			

15. WELLINGTON REGIONAL STADIUM TRUST

OFFICER SUMMARY

The Wellington Regional Stadium Trust (trading as Sky Stadium) has presented its draft Statement Of Intent (SOI) for 2021/22. The SOI is well presented and informative and responds positively to the subcommittee's letter of expectations.

The objectives of the Trust 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 Wellington City and Greater Wellington Regional Councils have 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 strives to meet the 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. This has not been possible in 2019/20 and 2020/21 due to the challenges created by the pandemic.

The operating environment remains extremely challenging. Attendances and event days for the 2020 and 2021 financial years are less than half the long-term average. Approximately 85% of the Trust's revenues are linked to events; either directly (rentals, catering, event parking, hospitality) or indirectly (memberships, box licenses, sponsorship). In a normal year, at this stage of planning, the Trust would have significantly greater certainty around its event calendar for the coming twelve months.

The success of recent concerts such as Eminem and Queen + Adam Lambert had reaffirmed

Wellington as one of the premium major concert cities in New Zealand. Promoter interest in hosting major events at the Stadium remains strong and the Trust remains optimistic of securing major events in 2021/22 should the opportunity present itself. The Trust works in close partnership with WellingtonNZ to secure events.

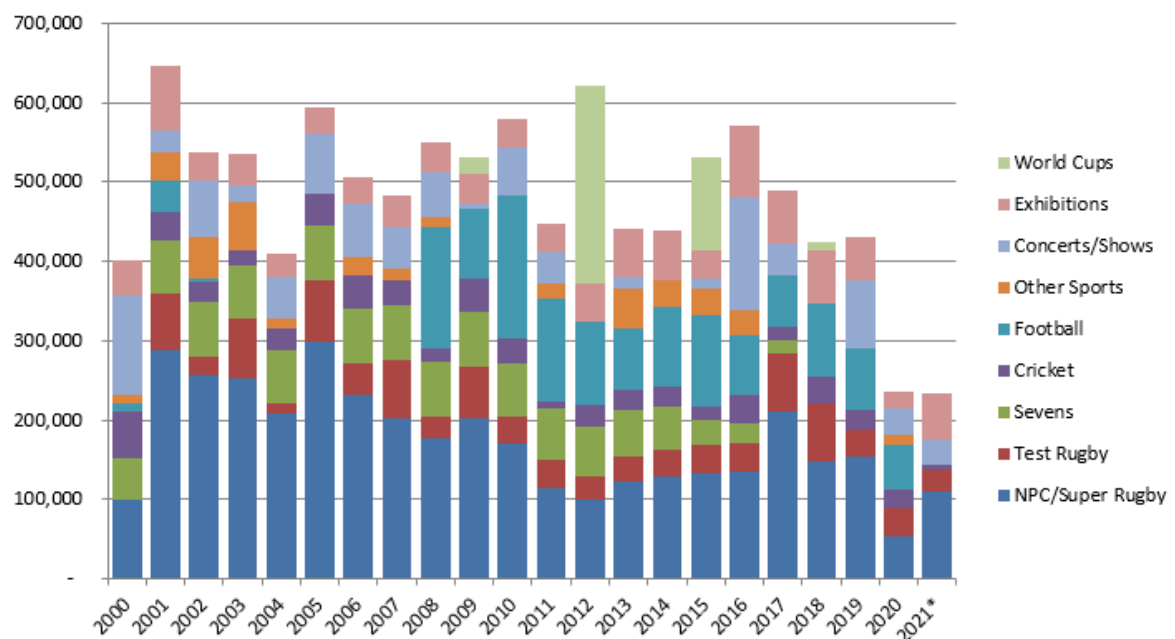
Major events such as the Cricket World Cup, the Edinburgh Military Tattoo, the FIFA intercontinental play-offs, moving to two Rugby Test matches in most years and a string of successful concerts have delivered tens of millions of dollars of economic benefit to the city and the region. All Blacks test matches bring up to 15,000 out of region visitors to our region. The Eminem concert generated 28,000 out of region visitors.

Most of these large events have been supported financially by WellingtonNZ and would not have occurred without that support. It is working on a large number of potentially stadium-filling events from the second half of 2022 onwards. Key to recovery will be a well-funded events sector.

Event enquiries, particularly for concerts have been strong for the summer of 2021/22, but will depend on the ongoing management of the pandemic, the worldwide rollout of the vaccination programme, and easing of New Zealand's border restrictions.

The Trust's continued focus lies particularly on those events that will fill the Stadium and generate economic return for the region. Guns n' Roses is booked for November 2021 and the Trust expects to host an All Blacks rugby test match. All of this is dependent on Wellington remaining in Alert Level 1 with no restrictions on public gatherings.

Attendances and event days for the 2020 and 2021 financial years are less than half the long term average. The following table highlights annual crowds by event type since the Stadium opened. The chart shows the stark reality of the impact of COVID-19.



Despite these challenges the Trust has continued work on major infrastructure projects to enhance the Stadium facility and experience, and to improve the resilience of the facility. The building is now 21 years old and requires increasing investment in preventative maintenance. In 2021/22 the priority will be to recoat the concourse floor and install digital displays through the retail areas. Seismic strengthening work continues on the Fran Wilde walk and in the coming year the Trust will finalise its plans to provided additional resilience to the Stadium building.

The Trust is closely aligned to the Council's strategic direction and its SOI outlines its contribution to the Council's vision for Wellington 2040; particularly the environmental, social, cultural, and economic wellbeing strategies.

Environmental Wellbeing: The Trust is committed to developing ways to reduce, recover, recycle, or re-use waste in all aspects of its business, including considering and integrating environmental factors in its decision-making process.

Social and Cultural Wellbeing: Two areas of priority for the Trust have been on inclusivity and accessibility. It has also integrated Te Reo into the Stadium's signage and messaging by:

- Replacing all wayfinding with bilingual signage in English and Te Reo Māori throughout the venue.
- Launched public loudspeaker messaging in both Te Reo and English.

The Stadium is a true multi-purpose venue, and the range of events ensures there is something for all Wellingtonians to enjoy in any given year.

Economic Wellbeing: The Trust's continued focus lies particularly on events that will fill the Stadium and generate economic return for the region.

In response to the **Te Atakura First to Zero** strategy the Trust has been investigating and implementing new waste minimisation and sustainability practices suitable for the venue to reduce the amount of waste generated at events and to redirect the waste that is generated away from landfill.

Recently the Trust has introduced the following processes:

- PET volumes being sent directly to Flight Plastics have risen due to new processes being implemented by onsite cleaning team. Cleaners are removing all recycling from clear plastic bags, sorting recycling on site, removing PET and putting in bags for Flight Plastics. This process has reduced recycling volumes as dead space in the bins are removed, caused by the bags being full of air.
- All empty clear bags that are used for events are recycled.
- Introduction of clear soft plastics and pallet wrap recycling.
- E-Waste Recycling through RemarkIT.

Considerable progress has been made on reducing waste to landfill. On average 75% of waste generated is recycled or composted and the Trust believes it can be increased further in the coming years.

The Trust has ongoing work for solutions on the cups that used to serve beer and wine and prefers a solution that can be shared across venues and events in Wellington. The current cups used at Sky Stadium are single use cup made from PET(1) plastic. These cups are all recycled locally in Wellington by Flight Plastics.

The Trust reports emissions to Council and will commit to determining what would be required to be a carbon neutral venue. The Trust is keen to work with both Councils to understand their plans and how the Stadium can be incorporated into them.

The Trust fully supports the **Accessible Wellington** action plan. It held an accessible workshop for staff earlier this year with the aim to be a role model and lead in inclusive and accessible practices in venues. The Stadium has a Gold rating for accessibility as awarded by Be.Lab and working alongside them, will aim to apply for Platinum status.

SUMMARY FINANCIALS (\$000)

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

Since the Stadium opened in 2000 over 2.5m million people have attended events here from outside the Wellington region, spending over \$1.3bn. Wellington is in a good position to emerge as a

SUMMARY FINANCIALS (\$000)

revitalised events capital of New Zealand and the Trust is very keen to play a strong role in this and encourages the Councils to consider the events sector as a key platform for economic recovery.

The Trust is driven to secure events especially those that will fill the Stadium and generate economic return for the region and the Trust Deed requires it 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 key performance indicators are:

- Revenue – total, and event
- Net surplus (deficit)
- Net cash flow
- Liquidity ratio
- Bank borrowing to total assets
- Capital expenditure

Financial forecasts for the three years from 2021/22 to 2023/24 will be available with the final SOI.

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 the Council's.

NON FINANCIAL PERFORMANCE MEASURES

Measure	How measured
Deliver a strong Rugby international test programme for 2021 and 2022	<ul style="list-style-type: none"> • Key stakeholders are satisfied with management of the test operation • 40% out of region visitors
Deliver more large-scale non-sporting events	<ul style="list-style-type: none"> • Secure at least two concerts in 2021/22 • 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"> • Concourse upgrade is completed • Resilience plans finalised and shared with council partners.
Deliver a full event calendar	<ul style="list-style-type: none"> • Securing 45-50 event days per year. • Dependent upon COVID-19 restrictions.
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
Sustainability	<ul style="list-style-type: none"> • Benchmark current emissions • Reduce single use plastic

16. WELLINGTON ZOO TRUST

OFFICER SUMMARY

The Wellington Zoo Trust has presented its draft Statement of Intent for 2021/22 (SOI) and it responds positively to the subcommittee'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.

Wellington Zoo is closely aligned to the Council's strategic direction and its SOI outlines its contribution to the Council's vision for Wellington 2040; particularly the environmental, social, cultural, and economic wellbeing strategies.

Environmental Wellbeing: The Zoo's support for this wellbeing goal includes its species plan, field conservation programmes for the critically endangered species, the local conservation grants programme benefitting smaller conservation projects locally, its state-of-the-art veterinary hospital The Nest Te Kōhanga and climate action.

- In 2020, Wellington Zoo launched its Conservation Strategy which is aligned with its overarching strategy and reinforces its kaupapa, Me Tiaki, Kia Ora! and brings together conservation and sustainability for saving wildlife in wild places.
- The Conservation Strategy sets out measurable actions in five areas: recognition and involvement of the Zoo's conservation expertise; effective field partnerships for long-term conservation outcomes; focused investment in conservation innovations; and integrating the United Nations Sustainable Development Goals).
- Also, the Zoo is a key stakeholder in collaborative conservation breeding as well as science and veterinary research programmes within the zoo community.

Social Wellbeing: Having achieved Be: Accessible Gold rating, the Trust aspires to improve the Zoo experience believing that the Zoo is for everyone. The Trust is committed to the environmental education of young people and their families in the region through:

- The Zoo's partnership with The Warehouse to bring students from low decile to the Zoo for learning sessions (Zoofari) providing free transport costs and admission.
- The Learning Experiences Outside The Classroom (LEOTC) funded by the Ministry of Education provides discounted entry and hosts over 10,000 school children annually.
- Free Neighbours' Night for its Newtown and Melrose locals in conjunction with City Housing and Newtown New World and other discounted entry opportunities.
- In post COVID lockdown period from mid-May to the end of June over 50,000 people were able to visit the Zoo at no cost (an initiative supported by the Council).
- The Zoo school holiday programme that is well attended, and many other external holiday programmes visit the Zoo.
- The Zoo is increasing its charitable support this year to broaden accessibility and support.

Partnerships include the Ronald McDonald House, the Wellington Children's Hospital, the Wellington City Mission and Change Makers Refugee Forum.

Cultural Wellbeing: Wellington Zoo's strategies include:

- Offering more opportunities for visitors to experience multi-layered and multi-sensory learning experiences.
- Educator-led learning sessions and innovative programmes that align with the Ministry of Education's target areas, including improving education outcomes for Māori and Pasifika learners, special education learners and those from low socio-economic backgrounds. The Zoo is investigating ways to fund a Māori educator and its Kanohi Kitea programme will give educators more skills and knowledge to embrace multicultural outcomes.
- 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.
- Its relationships with Massey and Victoria Universities, Department of Conservation, Zealandia, Ngāti Koata and Taranaki Whānui ki Te Upoko o Te Ika have enabled collaborative partnerships for conservation medicine, veterinary learning, animal welfare and visitor experience and learning.

Economic Wellbeing: The Zoo will continue to contribute to the economic development of the city through its financial results, offer employment especially in Newtown, help in the economic success of its suppliers, continue to attract tourism (both international and domestic) and ensure its ongoing financial sustainability.

- The Zoo aims to be seen as a leader in the city in shaping the community's views, a valued and valuable member of the Wellington regional community that adds prosperity of the city, a substantial player in conservation and sustainability and a key contributor to helping the city become internationally competitive.
- Wellington Zoo is mindful of the pandemic impacts on its revenue and has made adjustments to its offerings to negate this as much as possible. New visitor experiences are expected to drive revenue from local visitation and domestic tourism.
- The Zoo has come up with several strategies to combat the impacts of the pandemic and for the longer-term economic recovery. However, it faces challenges on areas such as annual salary increases, supplier and other operational cost increases.
- Wellington Zoo supports the Living Wage and all employees are paid at, or above, the Living Wage and this Council policy will be part of an ongoing remuneration strategy at the Zoo.

The Zoo will continue its commitment to sustainability and its Toitū carbonzero certification will be maintained with projects such as the solar power installation in Zoo buildings. The Trust will continue to reduce waste to landfill and work with Council to meet the Regional Waste Management and Minimisation Plan and the Te Atakura, First to Zero plan. The Zoo will be revisiting its contractual agreements in 2021-22 to find better solutions than it had in prior waste management contracts.

As a sustainable organisation, the Zoo considers the UN Sustainable Development Goals (SDGs) in its approach. The newly launched World Association of Zoos and Aquariums sustainability strategy, *Protecting Our Planet* will inform and assist in this work.

The Snow Leopards project is progressing well with technical investigations, consenting and site preparations underway and construction starting in early 2021. Construction is projected to take up to 12 months, so Snow Leopards can be expected to be seen by Zoo visitors in 2022.

The Trust has been successful in obtaining grants from Trusts and Foundations for both smaller and larger capital works and has begun to source funding for the Snow Leopards project alongside other funding opportunities.

The Trust's plan is to keep the Zoo well maintained over the life of the LTP and use renewals to

complete smaller projects such as ring-tailed lemurs and wombats. The significant planned renewal projects for the next three years are habitats for the ring-tailed lemur, lace monitor and the southern hairy-nosed wombat, *Green Zoo*, *Green You* refurbishment, better staff office areas, accommodation and break spaces for its growing staff, sustainability improvements, river trail and gibbon viewing, perimeter fence and security, venues improvements, electronic admissions, and removal of and improvements to earthquake prone buildings and walls.

In response to the pressure on Council's LTP budget, the Trust removed the Savannah Survival project that was included in the 2018-28 LTP. However, the Trust has sought an additional \$300k per annum for asset renewals, based on its Asset Management Plan for the Zoo. Unfortunately, due to Council's financial pressures, this additional funding was not put forward in the draft LTP (for consultation) and the Zoo's renewals budget has remained around \$1.0m per annum.

COUNCIL SUPPORT FOR COVID-19

In its 2020/21 annual plan, Council made provision for essential funding support related to COVID-19 of up to \$5.0 million for its CCOs.

At the same time the Council has also provided the Trust with a Letter of Comfort to acknowledge that financial support may be required after 2020/21, and that the Council will provide such support where necessary to maintain financial viability.

Council's COVID-19 support fund is based upon CCOs first utilising reserves that are not tagged for other purposes (e.g. planned or committed capital expenditure). The fund is not expected to maintain the balance sheets of CCOs (i.e. untagged cash reserves), which may be utilized to support trading through the impact of COVID-19.

The Zoo must maintain reserves of \$2.0m including those tagged to specific capital projects and provision for working capital.

To date the Trust has not received funding support from this reserve and the Trust does not anticipate that it will require funding support to 30 June 2021.

The draft Long Term Plan does not make provision for funding CCOs trading losses in 2021/22 but it does note that ongoing lockdowns and closed borders could present a risk that Council may be called upon to support.

SUMMARY FINANCIALS

The Trust's year-end 2020 operating deficit was \$170k largely due to disruptions from the COVID-19 pandemic. The year-end net deficit was \$344k after asset vesting (back to Council) of \$174k.

The Trust is now in a rebuild phase and in 2021 is forecasting an operating surplus \$462k. After \$588k of asset vesting (back to Council), a net deficit of \$96k is forecast and thereafter the Zoo is back to breakeven.

The Trust's net cash outflow of \$978k is a function of the pandemic and higher operating costs in response. However, the Trust maintains its strong cash position which has cushioned the net cash outflows in 2020 and forecast in 2021.

FINANCIAL PERFORMANCE (\$000)					
	Actual	Forecast	Draft SOI	Draft SOI	Draft SOI
30 JUNE	2020	2021	2022	2023	2024
Total Revenue	8,263	8,898	8,457	8,643	8,829
Total Expenses	8,433	8,436	8,457	8,634	8,829

SUMMARY FINANCIALS

Operating Surplus (Deficit)	(170)	462	0	0	0
Net Surplus (Deficit)*	(344)	(96)	0	0	0
Total Assets	3,299	3,068	2,752	2,750	2,770
Total Liabilities	1,777	1,642	1,326	1,324	1,344
Trust Funds	1,522	1,426	1,426	1,426	1,426
Net Cash Flow	(978)	(96)	(314)	(2)	20
Opening Cash	3,890	2,912	2,816	2,502	2,500
Closing Cash On Hand	2,912	2,816	2,502	2,500	2,520

* Includes vesting to Council for asset renewals.

Wellington Zoo plans to drive new business ideas to take the organisation back to its pre COVID-19 levels of activity by the end of 2022 and grow its visitation while continuing to deliver its activities and services to the high standards we are used to.

There will be new marketing ideas for its venues and functions bookings. New animal habitats for Snow Leopards, Lace Monitors and Ring-tailed Lemurs will help drive visitation in the 2021-22 year. Indications are that fundraising may be harder in the coming three years but Wellington Zoo will continue to work hard to raise funds to support its renewals and capital projects. The Zoo will also be changing the catering model to have an exclusive caterer who can drive business.

KPI DASHBOARD








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

FINANCIAL METRICS	Actual	Forecast	Draft	Draft	Draft
30 JUNE	2020	2021	SOI	SOI	SOI
	2022	2023	2024		
Visitors	220,607	243,053	254,000	255,000	256,000
Student & education visits	8,058	20,000	20,000	21,000	21,500
Visitor satisfaction (out of ten)	8.9	8.5	8.5	8.5	8.5
Percentage of native patients successful release to the wild after treatment in The Nest Te Kōhanga	69%	50%	50%	50%	50%
Number of Field Conservation Projects supported for threatened (NZ) endangered or critically endangered (global) species	12	12	12	12	12
Participate in animal based scientific projects and paper publication	13	10	10	10	10
NON-FINANCIAL METRICS					
% of OPEX directly contributed to field conservation	7.1%	7.0%	7.0%	7.5%	8.0%
% Operating costs generated by the Trust	58%	50%	57%	57%	57%
Ratio Trust generated income as % Council grant	139%	120%	135%	133%	132%
Trading revenue per visit (excl. grants & interest)	\$20.42	\$17.20	\$17.57	\$18.00	\$18.28
Council operating grant per visitor	\$15.44	\$14.38	\$14.16	\$14.51	\$14.86

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

7 APRIL 2021

Attachments

Attachment 1.	Basin Reserve Trust Draft SOI ↓ 	Page 192
Attachment 2.	Karori Sanctuary Trust Draft SOI ↓ 	Page 213
Attachment 3.	Wellington Cable Car Ltd Draft SOI ↓ 	Page 249
Attachment 4.	Wellington Museums Trust Draft SOI ↓ 	Page 279
Attachment 5.	Wellington Regional Economic Development Agency Ltd Draft SOI ↓ 	Page 316
Attachment 6.	Wellington Zoo Trust Draft SOI ↓ 	Page 338
Attachment 7.	Wellington Regional Stadium Trust SOI ↓ 	Page 371

Authors	Jennifer Jimenez, Portfolio Advisor Warwick Hayes, Project Manager Economic & Commercial
Authoriser	Claire Richardson, Chief Operating Officer

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.



Basin Reserve Trust

2021-22 Statement of Intent



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4. 2021-22 Activities	4
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1. Introduction

The iconic Basin Reserve has a rich history. The first game of cricket was played at the Basin on 11 January 1868, making it the oldest cricket ground in New Zealand. The ground not only hosts cricket games, but sporting fixtures of every variety. It has hosted national events and competitions including VE Day celebrations, Royal Tours, exhibitions, Scout jamborees, concerts and festivals. In 1998, the Basin Reserve was listed as a Heritage Area, becoming the first sports ground to receive such a designation and further enhancing its heritage significance. The Basin is also home to the William Wakefield Memorial that was erected in 1882 and commemorates one of Wellington's founders, William Wakefield.

The Basin Reserve plays a role in assisting Wellington City Council to achieve the recreation and leisure participation aims signalled in the 2018-28 Ten Year Plan and the "Living WELL" Wellington Sport and Active Recreation Strategy. The ongoing redevelopment repositions the Basin as New Zealand's premier cricket venue and help attract national and international events to Wellington.

The Statement of Intent outlines the activities and intentions of the Basin Reserve Trust (BRT) for the three-year period from 1 July 2021 to 30 June 2024, with a particular focus on the first twelve months to 30 June 2022. It details the BRT's approach to governance and contains financial information, including the annual budget.

2. Objectives

The objectives of the trust are stated in the Trust Deed are highlighted below:

1. 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
2. to establish a long-term policy for the further development 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;
3. to enter into management agreements and other contracts that are necessary or desirable to achieve the objects of the Trust;
4. to promote and co-ordinate the raising of funds to assist the management, administration, maintenance planning, promotion and further development of the Basin Reserve;
5. 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;
6. to operate as a successful undertaking, managed on a not-for-profit basis;
7. to preserve and enhance the significant and recognised heritage value of the Basin Reserve;
8. to comply with all legislative and regulatory provisions relating to its operation and performance including statutory and general Council objectives for Council controlled organisations, and to acknowledge the Council's contribution where appropriate;

3. COVID-19 Planning

The BRT is committed to the ongoing management and evaluation of risks associated with the enduring COVID-19 global pandemic. The Trust will be working to ensure robust and innovative plans



are in place to respond effectively if, and when, alert levels shift. This includes our continued acknowledgement of the responsibility we have for the social wellbeing of Wellingtonians, finding new ways to operate more efficiently and improving our ability to diversify engagement with local audiences. The key risk identified for the BRT is the financial impact from lost events that generate a large proportion of the BRT's annual event revenue. The strained economic climate has also impacted the BRT's ability to secure a naming rights partner to date.

Organisations that have vigorous plans in place will respond to COVID-19 more successfully than those who neglect the continued need for impetus in this space. The BRT is dedicated to ensuring our plans are continually reviewed and updated to ensure we are in the best possible position to respond.

4. 2021-22 Activities

In-line with the objectives of the Trust Deed, the BRT will focus on the following initiatives in 2021-22;

Events and Functions

The event and function calendar will have a domestic and community focus for the 2021-22 reporting cycle. The Basin will aim to deliver 78 event days, 100 practice days and 40 functions.

An overview of the wide range of events that are planned for 2021-22 are outlined below:

Community and other Sport Events:

The BRT is proud to be a venue for everyone and key events for 2021-22 include;

- Rugby and Football – partnerships with Wellington Rugby and Capital Football and now well established with the Basin Reserve serving to provide these two codes with three well used junior rugby and girls' junior football fields.
- Beers at the Basin – the popular festival that showcases Wellington's craft beer industry will continue to be a summer feature on the Basin's busy event calendar
- Music Concert – the BRT will gauge feasibility of hosting an annual concert at the Basin based on the review of the Peachy Keen concert in April 2021
- Ethnic Community Festival – the BRT will engage with Cricket Wellington regarding the feasibility of hosting an Ethnic Community Festival in October

It is important to note that due to the Basin Reserve being a host venue for the ICC Women's World Cup 2022, the ability to host community event days and a concert will be significantly reduced due to the venue exclusivity period commencing 21 days prior to the date of the first match at the Basin Reserve and ending ten days following the conclusion of the last match at the Basin Reserve. Therefore, the exclusivity period will commence from Sunday 20 February 2022 and ending 9 April 2022. The Basin Reserve turf renovation period will commence at the conclusion of this period.

Functions

The BRT has contracted Black and Gold Events to manage and promote the Norwood Room and Long Room in the RA Vance Stand as a venue for conferences, meetings, weddings, celebrations, Christmas functions or team building workshops. In total, 40 functions are planned for 2021-22, with an expected



average increase in the first quarter due to another venue undergoing refurbishments, but a reduction in the third quarter due to the ICC Women's World Cup.

Domestic Cricket

The Basin is the home of Cricket Wellington and the home ground of the Wellington Firebirds in the Plunket Shield, Ford Trophy and Men's Super Smash, as well as the Wellington Blaze in the Hallyburton Johnston Shield and Women's Super Smash. The Basin also accommodates Cricket Wellington development teams. The Basin is planning to host 55 days of cricket events, with 100 days of use planned for the practice facilities.

ICC Women's Cricket World Cup 2022

New Zealand is hosting the ICC Women's Cricket World Cup in 2022. Eight nations are competing across 31 matches in six host cities around the country from 4 March – 3 April 2022. The tournament was previously scheduled to be hosted in 2021, but due to the ongoing global pandemic, it was postponed enabling all qualifying teams the opportunity to participate and ensuring a safer tournament could be held. The Basin Reserve is selected as one of the six host venues and have secured the following fixtures:

- New Zealand v Australia, Sunday 13 March
- Australia v Qualifier, Tuesday 15 March
- Australia v South Africa, Tuesday 22 March
- South Africa v Qualifier, Thursday 24 March
- Australia v Qualifier, Friday 25 March
- England v Qualifier, Sunday 27 March
- Semi Final, Wednesday 30 March

International Cricket (Other)

The BRT is holding discussions with New Zealand Cricket regarding opportunities to host a Blackcaps v South Africa Test Match in February 2022. There are no other international cricket fixtures forecasted for the 2021-22 reporting cycle due to the Basin Reserve being a host venue for the ICC Women's Cricket World Cup.

Redevelopment

The Old Pavilion Stand was completed in June 2020 and the BRT's focus is committed to working with the Wellington City Council on the redevelopment of the Basin Reserve and its infrastructure.

Key projects that the BRT are working with WCC to complete are as follows:

- Embankment toilet upgrade
- Perimeter fence and gate upgrades
- Media box extension
- Picket fence upgrade
- Permanent camera stands and sightscreens upgrades
- Ground lighting to support 24x7 access



- Additional groundsman storage (between practice cage and Old Pavilion)
- RA Vance carpark / broadcast compound
- Wifi connected venue

The BRT will continue to present the ground to a high standard throughout the year, driving a comprehensive maintenance programme. The Trust is also committed to providing access to the ground 24 hours a day once acceptable and safe levels of lighting have been installed (outside of its normal operational closures).

Sponsorship and Fundraising

The BRT remains committed to assisting with fundraising and sponsorship. To date the Trust has raised \$951k of funding towards various projects at the venue, with an additional \$175k of approved funding withdrawn due to Covid-19. We remain dedicated to exploring further funding opportunities.

Key opportunities that the BRT are progressing:

- Class 4 Gaming – the Trustees have established positive relationships with numerous leading community funding trusts and will continue to build on these relationships to aid future projects
- New Zealand Lotteries Commission – this presents another key funding vehicle for the BRT
- Naming Right Sponsor and Signage Partners – a continued focus is being placed on securing a naming right sponsor and signage partners
- Digital Billboards – the Trust are also investigating digital billboard opportunities at the Basin Reserve to grow a more sustainable revenue base that would provide the BRT with additional income to support the redevelopment and on-going maintenance

The Trust will report on progress each quarter.

Cricket Wellington and The New Zealand Cricket Museum

The Basin Reserve is the home of Cricket Wellington, the Regional Sports Organisation for cricket in Wellington and the New Zealand Cricket Museum. The Old Pavilion is now home to the Cricket Wellington offices and the national Cricket Museum, which is due to reopen its doors to the public in October 2021. The New Zealand Cricket Museum records the history of cricket and will tell the story of the Basin Reserve through its newly developed and modernised storytelling and displays.

Wellington Regional Stadium Trust (WRST) Turf Services Partnership

The BRT will continue to work in partnership with the WRST to ensure that the Basin reserve outfield, wicket blocks and practice wickets. A significant proportion of the operating grant provided to the BRT from Wellington City Council covers the costs associated with the Turf Services Agreement between the BRT and WRST which are costs that continue to increase year on year.



William Wakefield Memorial

The BRT will work with the William Wakefield Memorial Trust to ensure that the William Wakefield Memorial is maintained.

Bilingual Venue

The BRT will work with the Wellington City Council and other entities/community groups where appropriate to include bilingual signage around the venue, so the Basin Reserve is a welcoming and inclusive venue for everyone. This will align with the Te Tauihu – te reo Maori Policy.

Harassment Policies

The BRT is committed to promoting a safe and harassment-free environment for all staff, contractors and attendees at all sporting fixtures and events. In 2019-20 the BRT conducted a review of the event terms and conditions and have not had any incidents reported during the 2020-21 SOI period. The BRT will continue to adopt best practise in this area.

Other

As a leading CCO, the BRT will work closely with Wellington City Council to support the vision for Wellington 2040: *An inclusive, creative capital where people like to live – inclusively and sustainably*, with the following initiatives:

- The BRT will identify ways the Trust can appropriately support Wellington City Councils, Te Tauihu Te Reo Maori Policy and Mana whenua
- The BRT will ensure that the Te Mapihi Maurea Naming Policy is adhered to at all times
- Te Atakura First to Zero strategy - the BRT was awarded the Toitu Carbon Zero status on 19 December 2019 and will ensure that we remain a carbon zero footprint venue
- The BRT will continue to support the Accessible Wellington, The Accessible Journey Action Plan 2019 and continue to allow free lounge access to the Basin Reserve Long Room on match days

5. Performance Targets

In-line with Wellington City Councils 2018-28 Ten Year Plan, the BRT aims to deliver the following performance measures for 2021-22:

Measure	2020-21 Forecast	2021-22 Q1	2021-22 Q2	2021-22 Q3	2021-22 Q4	2021-22 Total
Quarterly Targets						
Community Events Days*	21	1	1	0	1	3
Cricket Events Days	50	3	30	22	0	55



Measure	2020-21 Forecast	2021-22 Q1	2021-22 Q2	2021-22 Q3	2021-22 Q4	2021-22 Total
Quarterly Targets						
Other Sports Events Days	25	6	0	0	14	20
Practice facility usage (Days)	100	15	45	40	0	100
Functions	76	15	10	5	10	40

*Reduction due to ICC Women's World Cup hosting and venue exclusivity restrictions

Measure	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast
Numbers attending events*	55,000	74,150	41,000	41,000
Event Income (\$)	309,200	1,127,340	350,000	420,000
Council Operating Grant ^ (\$)	694,659	718,040	735,000	754,000
Cash Subsidy (grant) per attendance (\$)	12.63	9.68	17.93	18.39

^includes turf management fee

*does not include 'open to public' events

6. Governance

The Trust Deed establishes the BRT under the Charitable Trusts Act 1957 for the purposes of managing and administering the Basin Reserve. Wellington City Council has appointed the BRT to manage the Basin Reserve under a Management Deed (relating to the Basin Reserve). These two key documents set out how the BRT will govern the Basin Reserve.

The BRT is governed by a Board comprising four Trustees, two appointed by Cricket Wellington and two by Wellington City Council. The Board meet at least four times a year and appoint subcommittees as it deems appropriate to fulfil its obligations. The Trustees set the strategic direction for the BRT and approve the Statement of Intent and Annual Business Plan. The Trustees monitor the organisational performance and ensure that the Trust has appropriate policies and procedures to mitigate its risks (including compliance with the Health and Safety at Work Act 2015).

Trust Membership

- Alan Isaac (Chair) (appointed by Wellington City Council)
- Mike Horsley (appointed by Cricket Wellington)
- Councillor Sean Rush (appointed by Wellington City Council)
- Mr John Greenwood (appointed by Cricket Wellington)

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 and will provide an update by 30 September 2021. 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.

7. Finance

The budget for 2021-22 has been developed on the basis of breaking even. The budget is generally conservative and in line with the activity outlined in this document.

Analysis

The following are the key details and assumptions for the budget that results in a budgeted surplus of \$26,340

Revenue - \$1,845,640

Revenue	Forecast 2020-21*	Forecast 2021-22	% Change	Comment
Council Funding	694,659	718,040	3.3%	Inflation Adjustment
Sale of goods and services	309,900	1,127,340	264%	Significant revenue generated by hosting rights for the ICC Women's World Cup
Interest	255	260	N/A	N/A
Total	1,004,814	1,845,640		

*Forecast until end of FY 2020-21

Expenses - \$1,819,300

Expenses	Forecast* 2020-21	Forecast 2021-22	% Change	Comment
Depreciation	76,900	64,750	-15%	Lower Asset Base
Costs relating to providing goods and services	732,830	1,615,400	120%	Reflects ICC Women's World Cup hosting expenditure
Other expenses	137,320	139,150	N/A	N/A



Total	947,050	1,819,300		
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*Forecast until end of FY 2020-21

The expense side of the budget has been developed based on business as usual and a realistic estimate of the costs associated with operating the BRT.

Capital Expenditure

Capital expenditure of \$35k is included within the budget.

Cashflow

Cashflow varies throughout the year as key revenues from grants are received quarterly.

Risks

The main financial risks are as follows:

- The ICC Women's World Cup does not proceed as planned
- Concession agreement with Black and Gold is terminated
- The domestic cricket season doesn't proceed as planned
- Inability to secure and host a concert
- Increased repairs and maintenance are required

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.

Estimate of commercial value of stakeholder's investment

N/A



Appendix A

- 2021-22 Statement of Financial Performance

ACCOUNTING POLICIES

BASIN RESERVE TRUST

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2022

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. To support this assumption, the Trust has relied on a Letter of Comfort received from the WCC, stating that "the Council will provide such support where necessary to maintain financial viability".

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. 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 2022**

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	4 to 45.5 years	(2.20% to 25.20%)
Drainage works	14 to 18 years	(5.50% to 7.20%)
Furniture & fittings	2.5 to 8.5 years	(12.00% to 48.00%)
Plant	3 to 6.5 years	(16.20% to 33.00%)

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2022

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 PERIODS ENDING

FYE 30-Jun-21		Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	FYE 30-Jun-22	FYE 30-Jun-23	FYE 30-Jun-24
\$		\$	\$	\$	\$			
694,659	Revenue							
700	Council funding	359,020	-	359,020	-	716,040	735,000	754,000
309,200	Grants other	-	-	-	-	-	-	-
255	Sale of goods and services	34,550	83,650	966,950	42,190	1,127,340	350,000	420,000
	Interest revenue	65	65	65	65	260	300	300
1,004,814	Total Revenue	393,635	83,715	1,326,035	42,255	1,845,640	1,085,300	1,174,300
	Expenses							
76,900	Depreciation of property, plant and equipment	14,625	15,875	17,125	17,125	64,750	58,500	50,000
732,830	Costs related to providing goods and services	168,225	216,675	1,072,175	168,325	1,615,400	876,600	929,500
137,320	Other expenses	31,020	31,025	31,025	46,080	139,150	143,000	185,000
947,050	Total Expenses	213,870	263,575	1,120,325	221,530	1,819,300	1,078,100	1,164,500
57,764	Surplus/(Deficit) for the Year	179,765	(179,860)	205,710	(179,275)	26,340	7,200	9,800

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL POSITION

As at 30-Jun-21		As at 30-Sep-21	As at 31-Dec-21	As at 31-Mar-22	As at 30-Jun-22	As at 30-Jun-22	As at 30-Jun-23	As at 30-Jun-24
\$		\$	\$	\$	\$	\$	\$	\$
Assets								
	Current Assets							
269,493	Bank accounts and cash	420,878	241,943	411,028	241,093	241,093	191,193	169,893
82,000	Debtors and prepayments	55,000	65,000	215,600	96,200	96,200	98,200	96,200
351,493	Total Current Assets	505,878	306,943	626,628	337,293	337,293	289,393	266,093
	Non-Current Assets							
423,174	Property, plant and equipment	433,549	442,674	450,549	458,424	458,424	499,924	549,924
423,174	Total Non-Current Assets	433,549	442,674	450,549	458,424	458,424	499,924	549,924
774,667	Total Assets	939,427	749,617	1,077,177	795,717	795,717	789,317	816,017
Liabilities								
	Current Liabilities							
122,785	Creditors and accrued expenses	119,180	109,230	231,080	117,495	117,495	103,295	120,195
11,400	Income received in advance	-	-	-	11,400	11,400	12,000	12,000
134,185	Total Current Liabilities	119,180	109,230	231,080	128,895	128,895	115,295	132,195
134,185	Total Liabilities	119,180	109,230	231,080	128,895	128,895	115,295	132,195
640,482	Total Assets less Total Liabilities	820,247	640,387	846,097	666,822	666,822	674,022	683,822
Trust Equity								
100	Contributed capital	100	100	100	100	100	100	100
582,618	Accumulated surpluses	640,382	820,147	640,287	845,997	640,382	666,722	673,922
57,764	Current period earnings	179,765	(179,860)	205,710	(179,275)	26,340	7,200	9,800
640,482	Total Trust Equity	820,247	640,387	846,097	666,822	666,822	674,022	683,822

FYE 30-Jun-21		Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	FYE 30-Jun-22	FYE 30-Jun-23	FYE 30-Jun-24
\$		\$	\$	\$	\$	\$	\$	\$
	Cash Flows from Operating Activities							
694,659	Receipts of council funding	359,020	-	359,020	-	718,040	735,000	754,000
700	Receipts of grants other	-	-	-	-	-	-	-
285,500	Receipts from sale of goods and services	20,000	45,000	865,000	85,000	1,015,000	320,000	385,000
255	Interest receipts	65	65	65	65	260	300	300
(641,280)	Payments to suppliers and employees	(197,700)	(189,000)	(1,050,000)	(185,000)	(1,621,700)	(965,200)	(1,025,600)
(60,000)	GST (net)	(5,000)	(10,000)	20,000	(45,000)	(40,000)	(40,000)	(35,000)
79,834	Net Cash Flows from Operating Activities	176,385	(153,935)	194,085	(144,935)	71,600	50,100	76,700
	Cash Flows from Investing and Financing Activities							
(33,600)	Payments to acquire property, plant and equipment	(25,000)	(25,000)	(25,000)	(25,000)	(100,000)	(100,000)	(100,000)
(33,600)	Net Cash Flows from Financing Activities	(25,000)	(25,000)	(25,000)	(25,000)	(100,000)	(100,000)	(100,000)
46,234	Net Increase/(Decrease) in Cash for the Year	151,385	(173,935)	169,085	(169,935)	(28,400)	(49,900)	(21,300)
223,259	Add opening bank accounts and cash	269,493	420,878	241,943	411,028	269,493	241,093	191,193
269,493	Closing Bank Accounts and Cash	420,878	241,943	411,028	241,093	241,093	191,193	169,893

FORECAST FINANCIAL STATEMENTS

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING

FYE 30-Jun-21	Revenue	Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	FYE 30-Jun-22
	Grant Income					
694,659	Grant Wellington City Council	359,020		359,020		718,040
700	Grant Other					
695,359		359,020		359,020		718,040
	Ground Hire Income					
129,144	Ground Hire International Cricket			943,800		943,800
65,000	Ground Hire Domestic Cricket		62,500	10,000		72,500
3,600	Ground Hire Winter Sports				3,000	3,000
68,440	Ground Hire Other Events	21,400	13,000		31,040	65,440
266,184		21,400	75,500	953,800	34,040	1,084,740
	Other Income					
30,000	Concession Income	7,500	7,500	7,500	7,500	30,000
10,000	Rent	5,000		5,000		10,000
3,016	Picket Fence Income	650	650	650	650	2,600
43,016		13,150	8,150	13,150	8,150	42,600
	Interest Income					
255	Interest Income	65	65	65	65	260
1,004,814	Total Income	393,635	83,715	1,326,035	42,255	1,845,640

FORECAST FINANCIAL STATEMENTS

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING

FYE 30-Jun-21	Expenses	Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	FYE 30-Jun-22
	Building Expenses					
8,000	Repairs & Maintenance	2,000	2,500	2,500	2,000	9,000
12,000	Cleaning	2,000	3,000	4,000	2,000	11,000
10,800	Electrical Services	8,000	1,500	4,000	1,500	15,000
12,000	Fire System	3,500	3,500	3,500	3,500	14,000
2,500	Painting	5,000	2,000	500	250	7,750
11,200	Pest Control	3,200	3,200	3,200	3,200	12,800
1,500	Plumbing	500	500	500	500	2,000
1,200	Other		200	1,000		1,200
59,200		24,200	16,400	19,200	12,950	72,750
	Ground Expenses					
1,000	Electrical Services	600		600		1,200
2,000	Equipment Hire			1,500		1,500
	Cleaning		1,000	1,000	1,000	3,000
3,500	Irrigation			250	500	750
2,000	Painting	1,200	600	800	1,500	3,900
12,500	Plumbing		800	800	800	2,400
8,000	Rubbish Removal	2,200	5,000	5,000	2,200	14,400
	Structures Repairs & Maintenance	1,500	4,000	5,000	1,500	12,000
390,000	Turf	95,000	120,000	120,000	95,000	430,000
419,000		100,500	131,400	134,750	102,500	469,150

FORECAST FINANCIAL STATEMENTS

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING

FYE 30-Jun-21		Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	FYE 30-Jun-22
	Occupancy Expenses					
7,000	Gas	2,100	2,100	3,000	2,100	9,300
24,300	Electricity	6,600	6,600	6,600	6,600	26,400
40,900	Rates	11,450	11,450	11,450	11,450	45,800
13,500	Security	3,550	3,550	3,550	3,550	14,200
6,000	Telephones & Internet	2,000	2,000	2,000	2,000	8,000
20,000	Water Rates	9,000	9,000	9,000	9,000	36,000
4,600	Television	1,400	1,400	1,400	1,400	5,600
1,200	Insurance	650	650	650	650	1,300
25,000	Consumables Laundry & Toilet	6,625	6,625	6,625	6,625	26,500
142,500		43,375	42,725	44,275	42,725	173,100
	Event Running Expenses					
108,830	Event Running		25,000	868,800		893,800
108,830			25,000	868,800		893,800
	Administration Expenses					
14,200	Audit				15,000	15,000
12,000	Accounting	3,000	3,000	3,000	3,000	12,000
120	Bank Fees	20	25	25	80	150
8,500	Consultants	2,500	2,500	2,500	2,500	10,000
100,000	Management Fee	25,000	25,000	25,000	25,000	100,000
134,820		30,520	30,525	30,525	45,580	137,150

FORECAST FINANCIAL STATEMENTS

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING

FYE 30-Jun-21		Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	FYE 30-Jun-22
	Other Expenses					
	Interest Expense					
2,500	Marketing		1,000	5,000		6,000
2,500	Miscellaneous	500	500	500	500	2,000
800	Picket Fence Expenses	150	150	150	150	600
	Grant Wellington City Council					
<u>5,800</u>		<u>650</u>	<u>1,650</u>	<u>6,650</u>	<u>650</u>	<u>8,600</u>
	Depreciation Expense					
76,900	Depreciation Expense	14,625	15,875	17,125	17,125	64,750
<u>76,900</u>		<u>14,625</u>	<u>15,875</u>	<u>17,125</u>	<u>17,125</u>	<u>64,750</u>
<u>947,050</u>	Total Expenditure	<u>213,870</u>	<u>263,575</u>	<u>1,120,325</u>	<u>221,530</u>	<u>1,819,300</u>
<u>57,764</u>	Net Surplus (Deficit) for the Period	<u>179,765</u>	<u>(179,860)</u>	<u>205,710</u>	<u>(179,275)</u>	<u>26,340</u>

**Statement of Intent 2021-2022
Karori Sanctuary Trust**

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

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1. Introduction

The significant level of uncertainty surrounding our operating environment as a consequence of the COVID-19 pandemic continues. At the time of writing, ZEALANDIA is experiencing the benefits from a resurgence of domestic tourism. Whilst this is far from fully compensating for the loss of the international tourist market, it does mean that performance to-date is achieving the revised targets we set in our 2020/21 SOI, giving us confidence that our business assumptions and revised performance targets remain valid.

In light of the continued uncertainty and following a range of discussions with colleagues in other CCOs, we have based our planning for 2021/22 on the same assumptions as for 2020/21, most notably, no international tourism of any significant scale during the year.

That said, our ambition to continue having a positive and transformative impact for our city (and beyond) remains as strong as ever.

Our 2019/20 Annual Report records the significant impacts we achieved across the financial, social, environmental, and human capitals despite the impacts of a pandemic-related lockdown. Our economic value to Wellington alone was estimated at \$29.5m, a continued increase year-on-year over the past five years. We continue to have strong and positive social and human capital impacts through, for example, community engagement and volunteering, and of course our environmental and conservation impacts all continue to flourish. The research conducted by Dr Danielle Shanahan into aspects of the human health and wellbeing impacts on the Wellington community has been world-leading and startling in the clarity of what the data is indicating. The realisation of just how the biodiversity of our city has been transformed was particularly evident during lockdown, as reported by many media channels.

Our partnership with Wellington City Council remains pivotal and this SOI documents our plans for how ZEALANDIA will continue to add value to Wellington and meet Council's goals as set out in the letter of expectations.

Our vision for nature-rich communities remains a central theme, with the wider Wellington region being internationally recognised as the most nature connected urban area in the world. This vision, and the plans we have that underpin it, is entirely consistent with, and supportive of, Council's four wellbeing goals as indicated in the letter of expectations.

As highlighted in previous SOIs, the majority of our work is long-term and so many of the approaches and actions articulated in this SOI describe a continuation, or further development, of existing programmes and projects that have been described in previous SOI documents. Our 20-year strategy document, *Living with Nature: Tiaki Taiao, Tiaki Taonga – our strategy for 2016-2035*, remains the key touch-stone document for all this work.

Next steps in 2021/22

Section 2 of this document outlines the close strategic alignment of ZEALANDIA's plans with Council's environmentally focussed strategies. Taking one example, our work remains closely aligned to Council's Te Atakura First to Zero strategy. We have been Toitū Envirocare carbonZero certified for six years and have been leaders in the city with exemplary initiatives such as the early installation of car charging stations and PV technologies, and the deployment of New Zealand's first EV passenger shuttles. We continue to target waste minimisation having made significant advances in this area through, for example, the reduction in use of plastics across our operations.

We look forward to working with Council colleagues on the development of new strategies as mentioned in the letter of expectations.

Our investment in all areas of our operations including key areas of impact: conservation and restoration, research, education and learning, visitor engagement, outreach and major ongoing projects such as Sanctuary to Sea, will continue. Our engagement with mana whenua will remain a central tenet of what we do and how we do it, increasingly weaving te ao Māori and mātauranga Māori throughout our work. Relationships with other key partner entities such as Predator Free Wellington, the Zoo, Victoria University of Wellington, and the Biological Heritage National Science Challenge (to name a few) will also remain close and strong.

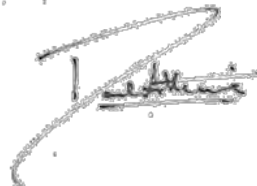
The detailed design phase of Tanglewood House is due to be completed in 2020/21 and we are, therefore, planning to commence the building phase of this Centre for People and Nature during the period covered by this SOI. Full details and timelines will be available when the detailed design and building consent stages are completed.

The financial context of Council is fully understood and the plans within this SOI are based on an inflation indexed increase in the operating grant only. It should be noted that ZEALANDIA has not requested any additional financial support from Council.

The following sections of this SOI provide a detailed view of our plan for 2021/22. They address all the specific areas highlighted in the letter of expectations and, overall, describe how we will continue to make a significant contribution to our city and the vision for *Wellington 2040: An inclusive, creative capital where people like to live – inclusively and sustainably*.



Phillip Meyer
Chairman, Karori Sanctuary Trust



Paul Atkins
Chief Executive, Karori Sanctuary Trust

2. The Strategic Partnership with Wellington City Council

Wellington City Council (Council) remains a key strategic partner and principal funder of the Trust and we will continue to align our priorities with the Council's strategic direction and make a strong contribution towards advancing the Council's aims as signalled through a range of strategy documents including the 2021-31 Long Term Plan.

Our 2019/20 Annual Report highlighted once again our significant impact as a high performing contributor to the liveability of our city and the wider Wellington region, working effectively with partner organisations to drive Wellington's position as a unique natural capital. We are grateful for the Council's continuing support for our operations and vision.

Despite the challenging operating environment in the last quarter of 2019/20, ZEALANDIA completed the financial year with only a small operating deficit of \$100,000 (after adjusting for one-off income items) as declared in our annual report, a healthy balance sheet and a clear plan for tackling the challenges of 2020/21. At the end of 2019/20, our operating working capital balance was \$2,959,381 including \$1.8m of commitments for our Tanglewood House build and scholarship funding. The balance of \$1.2m is the working capital reserve agreed with the Board to cover a potential 2020/21 budget deficit; it includes at least three months of operating expenses in line with financial management good practice.

We are committed to the delivery of the Council's vision for *Wellington 2040: An inclusive, creative capital where people like to live – inclusively and sustainably* by contributing towards the following community outcomes for the City.

- Environmental wellbeing: We will continue to progress our work to add value to Wellington and the wider region through environmental restoration and transforming how we value and live with nature.
- Social wellbeing: We will continue to deliver social capital value for the common good in Wellington and beyond, especially by building community connection and capability. We are committed to Te Tiriti o Waitangi, and the growth of our foundation in te ao Māori. Our volunteer programme continues to flourish with over 500 volunteers currently supporting our work.
- Cultural wellbeing: We will continue to contribute to the restoration of New Zealand's natural heritage.
- Economic wellbeing: We will continue to contribute positively to the regional economy by employing people and providing training opportunities to volunteers and interns. In 2019/20, ZEALANDIA contributed \$29.5m of economic value to the Wellington region through capital investment, job creation, training and other local spending.

In response to the letter of expectations, during the year we will:

- continue to contribute to the goals outlined in Te Atakura, the First to Zero strategy through our continued commitment to being an environmentally responsible organisation. ZEALANDIA aims to enable and empower employees, volunteers, visitors, and the community to act sustainably. ZEALANDIA has been Toitū Envirocare carboNZero certified for the last six consecutive years and our Green team will continue working with staff to improve our sustainability practices.
- work with the Council on the development of the new strategies in the areas of economic development, arts and culture, and children and young people.
- improve accessibility at ZEALANDIA where possible in line with the goals outlined in Accessible Action Plan 2019-22.

In 2021/22 we will continue to implement the living wage policy for our employees as required by Council and anticipate that the Council again will support funding the additional cost associated with this on an ongoing basis.

2.1 Wellington City Long Term Plan 2021-31

We look forward to contributing to the successful delivery of the new Wellington City Long Term Plan for 2021-31 when finalised.

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.

We make 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:

- **Learning:** Our education resources and programmes are used by schools nationwide, increasing the impact of our education work far beyond the sanctuary fence. Our community and youth programmes seek to connect New Zealanders of all ages and experience levels with the value and importance of nature engagement.
- **Research:** ZEALANDIA is continuing to contribute cutting edge and internationally recognised research through our multi-disciplinary, long-term programme. The ZEALANDIA Centre for People and Nature will continue to support capability growth in socio-ecological research through the Future Leaders Fund, and the research and community engagement will support the ongoing transformation in how people live with nature.

2.3 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 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.

2.4 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.

2.5 The Wellington Regional Economic Growth Agenda

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

WellingtonNZ remains a key partner and in 2021/22 we will continue to advance this increasingly close relationship.

In 2019/20, ZEALANDIA not only benefited Wellington's environment but also contributed positively to its regional economy by:

- providing over 400 training opportunities to volunteers and interns to learn new skills and further their careers.
- employing over 100 people
- adding \$29.5m of economic value to Wellington.

In 2019/20, ZEALANDIA hosted over 143,000 visitors, up 4% on 2018/19. With the closure of New Zealand's international borders in March 2020 in response to the COVID-19 pandemic and

through offering free entry from 16 May to 30 June, the number of Wellingtonians visiting ZEALANDIA this year has increased to 57% of all visitors, up from 49% last year. Correspondingly, the number of international visitors has dropped from 39% to 30% in 2019/20. Looking forward, we will work closely with WellingtonNZ to position Wellington as an attractive destination for New Zealand domestic tourists.

2.6 Predator Free Wellington

Our close relationship with Predator Free Wellington continues, with exchange of information, advice, and other forms of support being provided on an ongoing basis. This relationship forms a crucial element of our work beyond the ZEALANDIA fence, and the ability to extend the halo significantly across Wellington.

3. Strategic Direction for 2021/22 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 2021/22

The following sections set-out our high-level objectives, scope of business and key performance indicators under our four strategic themes outlined in our Living with Nature - Tiaki Taiao, Tiaki Tangata. It will be supported by our business plan for 2021/22 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 Council to focus on the most important measures of success for 2021/22.

4.1 Objectives

The 2021/22 work programme is presented in line with our four strategic themes from our 20-year strategy, Living with Nature - Tiaki Taiao, Tiaki Tangata:

- A place that treasures.
- A place that engages.
- A place for learning.
- A place that empowers.

4.2 A place that treasures

The conservation and restoration activities in the sanctuary continue to be central to all our work. As set out in our ZEALANDIA Te Māra a Tāne Māra a Tāne Conservation and Restoration Strategy 2018-2038, this work involves restoring our wetlands, monitoring and managing threats to species, carrying out active reintroductions and planting, and working beyond the fence to create safe places for wildlife.



**A PLACE THAT TREASURES
HE WĀHITANGA**

We are committed to being an environmentally responsible organisation and taking a proactive approach to sustainability issues and reducing our carbon footprint in line with the Council's Te Atakura First to Zero Policy.

We have successfully achieved Toitū Envirocare carboNZero certification for the sixth consecutive year. Our emissions in 2019/20 were 66.35 tCO₂e, which is 26% lower than last year's total of 89.29 tCO₂e and 38% lower than the base year total of 107.31 tCO₂e. The high reduction in emissions this year is due to our two electric passenger buses and the impact of closing the sanctuary for seven weeks due to the COVID-19 lockdown.

As mentioned in the previous SOI, 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 working 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 on our continuous improvement culture which has been pivotal in driving recent successes. We care for our people by providing support to enable everybody to contribute to our nature-rich vision and realise their full potential. We remain committed to developing our staff and volunteers in ways that contribute to our goals. In 2019/20 we invested over \$24,000 in staff training to ensure that we continue to support the professional development of our people.

We conducted our latest biennial staff survey in late 2020 to gather feedback and the data will provide insight into where we can improve engagement and organisational performance.

We continue to pay close attention to carefully managing our working capital as it is this that enables us to manage future financial risk in these uncertain times and invest in our infrastructure, including the development of Tanglewood House.

Development of Tanglewood House

The resource consent and preliminary design phases of the project have been completed. In response to the global pandemic, the detailed design phase of the project was put on hold in early 2020/21 as we went through a process of cost analysis to ensure the project was achievable within budget. A contract has now been signed with a Wellington-based architect company, working alongside a local construction company, to complete the detailed design and building consent stages. It is anticipated these will be completed by early 2021/22 and we will move directly into construction at that point.

Full details of timelines and completion date will be determined and agreed as soon as practicable in 2021.

As indicated in our 2020/21 SOI, the Board has approved funding for the development of Tanglewood House and this funding has been secured and ring-fenced in our budgets. The funding includes the contribution from Council as agreed and confirmed in the 2017 Long Term Plan.

Current (ongoing) programmes

- Maintain the perimeter fence so that it ensures the area within the fence is secure from mammalian threats.
- Coordinate with other groups beyond the fence to mitigate and minimise threats to dispersing wildlife.
- 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.
- Invest in the professional development of our people.
- Maintain volunteer satisfaction with their experience at ZEALANDIA.
- Measure staff satisfaction through our engagement survey.

Strategic Initiatives

- Implement the Sanctuary to Sea Kia Mouriora te Kaiwharawhara strategy with partners to achieve tangible outcomes for people, the forest and the water.
- Progress key sanctuary-based freshwater restoration initiatives.

- Support mana whenua aspirations through the Sanctuary to Sea Kāia Mōriora te Kaiwharawhara project, support of key projects and close partnership in areas of interest.
- Develop smart initiatives to grow our people, and support systems to deliver enduring financial vitality.
- Continue to identify and implement opportunities to reduce waste through initiatives to reduce, reuse and recycle and to reduce our carbon footprint in line with the Council's Te Atakura First to Zero Policy.
- Maintain our Toitū Envirocare carbonZero accreditation and deliver good sustainability practices across the whole of the organisation.
- Redevelop the ZEALANDIA website to provide a more relevant and integrated user experience across all aspects of our work including visitation, education, research, members and supporters.
- Improve the functionality of the pāteke room conference facilities by installing sound proofing and conference lighting.

Key performance indicators for 2021/22

- Partnerships with at least 10 community groups are active in the Sanctuary to Sea project.
- A net breakeven before depreciation and tax.
- Non-WCC grant revenues equating to >75% of overall income.
- Membership subscriptions of \$324,700.
- Full cost per visitor (including WCC costs) TBC.
- Average WCC subsidy per visitor of no more than \$13.04.
- Average revenue per visitor of no less than \$27.28.
- Non-Council donations/funding of \$200,000.

4.3 A place that engages

Our unique opportunity is to connect our audiences with the value and benefits of a healthy, robust native environment, and to encourage conservation action within Wellington and beyond. We want all our audiences, whether they are internal or external, visitors or volunteers, to build strong and enduring connections with nature and translate that connection into conservation advocacy and action. We will continue to develop the range of experiences that we can offer to meet the needs of all our audiences. Our goal is that all visitors have opportunities to experience ZEALANDIA regardless of accessibility needs.

Our day and night tours will continue to be a key focus for enriching the visitor experience through providing visitors with a deeper understanding of our native flora and fauna and our cultural history and to encourage conservation action when they return home. This year we will continue the development of our products by introducing an enhanced te ao Māori perspective



into our tours and to alter the content of the tours to have greater appeal to the domestic market.

We work with a wide range of partners, Council is our principal funder and key strategic partner, and we have close partnerships with mana whenua (Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira), Greater Wellington Regional Council and the Department of Conservation. We have strong and enduring strategic relationships with Embassy of the United Arab Emirates, the Holdsworth Charitable Trust, Manaaki Whenua Landcare Research, Meridian, Morpium Environmental Ltd, Port Nicholson Block Settlement Trust, Predator Free Wellington, Russell McVeagh, the Tanglewood Foundation NZ, Victoria University of Wellington, Wellington Water, Wellington Zoo, the Tenth Trust, and the Woodlands and Wetlands Trust.

Current programmes

- Provide formal and informal education and visitor experiences that increase people's understanding and connection with nature.
- Continue to reshape and expand our communications channels so that we are actively promoting our conservation and research programmes, visitor experiences and activities, our programmes, partnerships and positive conservation impacts.
- Continue to grow our range of programmes and offerings to reach a wider cross-section of Wellington's diverse communities including those with accessibility needs.
- Provide a diverse and engaging range of experiences for visitors, members and volunteers; researchers and academics; community and corporate groups.
- Continue to offer visitor programmes and experiences for those with accessibility needs.
- We will continue to provide high quality opportunities and services that connect visitors with nature through:
 - Highly attractive visitor experiences.
 - Premium and custom tours.
 - Annual membership.
 - Exhibitions and events.
- Continue to recognise the strategic priorities of Council as an important part of the strategic context for ZEALANDIA, and to align our strategies and priorities closely with those of the Council (see Section 2: The Strategic Partnership with Wellington City Council).
- Continue to work with key partners and grow the community involvement for the delivery of our Sanctuary to Sea Kia Mouriora te Kaiwharawhara project.
- Continue to work closely with our many research partners to develop evidence-based practice across our organisation and further afield.
- Identify keyways through which our partnership with Council can deliver greater gains for biodiversity across the region.

Strategic Initiatives

- Continue to provide activities and experiences for young people and families.

- Increase engagement opportunities for those with differing accessibility needs in line with the Council's Accessible Wellington Action Plan 2019.
- Participate in research gatherings (e.g. workshops) to share our knowledge and solidify partnerships, and support emerging research leaders through supervision, mentoring and employment.
- Grow our corporate and philanthropic partnerships through key initiatives such as the Centre for People and Nature.

Key performance indicators for 2021/22

- Visitor numbers – 70,000 separate visitations with breakdown of visitor demographics.
- ZEALANDIA achieves a visitor satisfaction rating of 95% or greater.
- 9,000 education engagements.
- 15,000 members.
- Maintain > 500 volunteers and the range of avenues for people to volunteer.
- > 80% of volunteers are satisfied with their relationship with ZEALANDIA .

4.4 A place for learning

The inclusion and involvement of mana whenua is key to our integration of mātauranga and te reo Māori into our practices, processes and programmes. Our relationship with mana whenua, Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira as key strategic partners continue to grow and strengthen, and we will maintain and build partnerships with the many iwi who maintain kaitiakitanga for the species that have now found a home in the sanctuary. These relationships are a source of pride as we continue to integrate mātauranga Māori into our restoration, conservation, storytelling and 'beyond the fence' work. We continue to provide opportunities for staff and volunteers to grow their confidence and capability in te reo and tikanga Māori, aligned to Council's Te Tauihu Te Reo Māori policy. We will continue to develop and deliver public content and activities that bring te ao Māori into our work and programmes.



A PLACE FOR LEARNING
HE WĀHI MĀTAURANGA

Our programme of research has grown significantly over the past year, with ZEALANDIA researchers publishing a number of articles while also supporting people from other organisations in generating new knowledge. This year key focus will be the Centre for People and Nature, which now has funding for a physical hub (Tanglewood House, see page 12 for further information) and is growing in terms of content and influence. The key focus of this Centre is generating the knowledge to support a nature rich future. This includes interdisciplinary research and discovery to inform policy, business, and conservation management.

We continue to deliver against our Learning Experiences Outside of the Classroom (LEOTC) contract and other education programmes enabling schools to experience ZEALANDIA's variety of ecosystems and species, empower them to explore the wildlife in their own environments and start their own environmental and conservation activities. We will continue to test, evaluate and

grow our programmes and initiatives to connect with young people, families and other community groups and inspire them towards a nature-rich future.

Current programmes

- Continue to deliver activities and events aimed at increasing competency and capability in te reo and te ao Māori amongst staff and volunteers, including targeted learning and upskilling opportunities.
- Continue to develop and deliver public programmes, activities, signage and storytelling that incorporate mātauranga, te reo and te ao Māori.
- Continue to deliver visitor, staff and volunteer programmes and activities for Matariki and Māori Language Week.
- Continue our ongoing and growing iwi engagement work including consultation on our conservation and restoration strategies and key restoration activities (eg. species translocations).
- Continue to work with mana whenua to develop a cultural health indicator project.
- Continue to grow the accessibility of ZEALANDIA to mana whenua through a cohesive programme that cuts across ZEALANDIA operations.
- Deliver formal education programmes to schools under our LEOTC contract with the Ministry of Education, nature connection programmes for low decile and low engagement schools.
- 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.
- 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 te ao Māori into ZEALANDIA projects and programme development processes.
- Develop and grow partnerships with iwi through key projects of interest to mana whenua.
- Continue research focussed on understanding how changes to Wellington's biodiversity is affecting people, and how community-led conservation can gain environmental outcomes.
- Raise funds to support and expand our formal and informal education programmes, with a focus on opportunities for those less able to access conservation experiences and learning.

Key performance indicators for 2021/22

- Deliver activities and opportunities for staff and volunteers to increase their knowledge and confidence in te reo Māori and te ao Māori.

- Continue to deliver valley-based and outreach learning programmes under our Ministry of Education LEOTC contract.

4.5 A place that empowers.

ZEALANDIA does not work in isolation. We are part of the conservation ecosystem alongside Council and many other organisations and individuals in our community, all working towards a common goal of a protected, supported and nature-rich Wellington. Our goal is to be a model of a rich and biodiverse ecosystem, and a place where people can discover the value and importance of nature.



We will continue to work with and through others to expand community knowledge and engagement in conservation and restoration, and to share our vision of a nature-rich future.

Through volunteering opportunities, public programmes, community partnerships and joint initiatives, we will provide or facilitate opportunities to learn from and participate in research projects, connect with community restoration and environmental groups, and learn new skills in restoration and sustainability.

Current programmes

- Provide learning experiences, tour products, and visitor experiences that help people increase their connection with nature and understand and value New Zealand's natural heritage.
- Provide high quality volunteering experiences that enable volunteers to increase their connections with nature and further ZEALANDIA's conservation, restoration, and engagement objectives.
- Provide activities, information and materials that enable schools and communities to learn about and actively contribute towards nature-rich communities.

Strategic initiatives

- Extend the reach of ZEALANDIA'S work and impact through partnerships, engagement activities and projects beyond the fence.
- Increase the diversity of ZEALANDIA's partners and volunteers by working with and through a wider variety of community organisations.

Key performance indicators for 2021/22

- Continue to expand the range of programmes and activities offered to learners and communities.

5. Performance Measurements

5.1 KPI Scorecard 2021/22

A place that treasures (4.2)	A place that engages (4.3)
<ul style="list-style-type: none"> Partnerships with at least 10 community groups are active in the Sanctuary to Sea project. A net breakeven before depreciation and tax. Non-WCC grant revenues equating to >75% of overall income. Membership subscriptions of \$324,700. Full cost per visitor (including WCC costs) TBC. Average WCC subsidy per visitor of no more than \$13.04. Average revenue per visitor of no less than \$27.28. Non-Council donations/funding of \$200,000. 	<ul style="list-style-type: none"> Visitor numbers – 70,000 separate visitations with breakdown of visitor demographics. ZEALANDIA achieves a visitor satisfaction rating of 95% or greater. 9,000 education engagements. 15,000 members. Maintain > 500 volunteers and the range of avenues for people to volunteer. > 80% of volunteers are satisfied with their relationship with ZEALANDIA.
A place for learning (4.4)	A place that empowers (4.5)
<ul style="list-style-type: none"> Deliver activities and opportunities for staff and volunteers to increase their knowledge and confidence in te reo Māori and te ao Māori. Continue to deliver valley-based and outreach learning programmes under our Ministry of Education LEOTC contract. 	<ul style="list-style-type: none"> Continue to expand the range of programmes and activities offered to learners and communities

5.2 Non-financial Performance Measures

Measure	2020/21 forecast	2021/22	2022/23	2023/24
Visitation	100,713	70,000	91,000	95,000
Members (Individuals)	17,892	15,000	15,200	15,400
Volunteers	>500	>500	>500	>500
Percentage of Satisfied Visitors	>95% ¹	>95%	>95%	>95%

¹The measure is in line with standard sector benchmarking.

Measure	2020/21 forecast	Q1	Q2	Q3	Q4	2021/22	2022/23	2023/24
Visitation	100,713	10,093	22,701	23,068	14,138	70,000	91,000	95,000
Education visits ²	7,227	1,925	3,547	1,244	2,284	9,000	9,000	9,000

² (LEOTC, tertiary, early childhood, school holiday programme, and outreach).

In the quarterly performance reports for the Council, we will continue to provide a geographical breakdown on visitors to ZEALANDIA and a summary of visitor feedback from GetSmart, Trip Advisor and Google Reviews.

5.3 Financial Performance Measures

Measure	2020/21 forecast	2021/22	2022/23	2023/24
Full cost per visitor (including WCC costs)	TBC by WCC	TBC by WCC	TBC by WCC	TBC by WCC
Average subsidy per visit (total WCC operating grant/all visitors)	\$12.85	\$13.04	\$10.18	\$9.90
Average revenue per visit (excludes Council & Government grants)	\$27.01	\$27.28	\$27.55	\$27.83
Non-Council donations/funding	\$235,506	\$200,000	\$200,000	\$200,000

5.4 Conservation Measures

Note, the new measures provided in this SOI reflect the ZEALANDIA Te Māra a Tāne conservation and restoration strategy 2018-2038. These build on and extend previous work to further conservation outcomes within ZEALANDIA and beyond.

Measure	2020/21 forecast	2021/22	2022/23	2023/24	Explanation
Manawaroa. We actively restore ecosystem function to foster resilience					
Number of fauna or flora species transferred into or out of the sanctuary, or 'topped up'.	1	1	1	1	This indicates active effort to enhance biodiversity outcomes inside ZEALANDIA and beyond. Transfers over the coming years are likely to include the release of Wellington barking gecko, a top up of tieke, and propagation of Dactylanthus plant.
Percentage of the bird community that is native.	80%	80%	80%	80%	This is an indicator of the proportion of our bird community that is indigenous and is measured through annual 5 minute bird counts. The target is to maintain the level at or above 80%.
Kaitiakitanga. We look after what we have alongside our many partners.					
% of incursions into the mouse-free area eradicated, or under active response.	100%	100%	100%	100%	The mouse free area is critical for lizard reintroductions, and for research into the effect of mice on species. This target will ensure we maintain those values.
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, or under active response.	100%	100%	100%	100%	The goal is to actively and responsively control incursions if they occur. The target reflects the uncertainty involved in the outcomes of these responses, and the commitment to continue the response until eradication has occurred.

5.5 Conservation Activities

Activities [note, some activities are dependent on successful permits and translocation operations]	2021/22	2022/23	2023/24
Continue restoration of the lower valley streams, wetland and lake			
- Implement an overarching multifaceted strategic plan	Ongoing	Ongoing	Ongoing
- Research underway according to a research plan	Ongoing	Ongoing	Ongoing
- Implementation of plans	Ongoing	Ongoing	Ongoing
Translocations (including top-ups)			
Dactylanthus	Implement	-	Implement
Common bullies	Implement	-	-
Tieke (saddleback)	-	Plan	Implement
Kiwi pukupuku	Implement (potential translocation out)	-	-
Activities	2021/22	2022/23	2023/24
Post-release monitoring for translocated species			
Spotted skink monitoring	Complete	-	-
Kākahi (freshwater mussel, depending on completion of 2018 translocation)	Ongoing	-	-
<i>Brachyglottis kirkii</i> var. <i>kirkii</i>	Ongoing	Ongoing	Ongoing
Green mistletoe	Ongoing	Ongoing	Ongoing
Titipounamu (rifleman)	Ongoing	-	-
Common bullies	-	Implement	Ongoing

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 in October 2016 with the transfer of the ZEALANDIA Visitors Centre to the 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 following nominations from the Guardians, and the Trust's 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 principal funder and the landlord of the Trust.

The Trust will report quarterly to the Council through the Council Controlled Organisations Subcommittee 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 for 2021/22 will be presented to the Council by the 30 September 2022. The Trust will continue to recognise Council as a principal funder and a strategic partner.

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
Phillip Meyer (Chairman), appointed by the Council	December 2023
Pete Monk, appointed by the Council	June 2023
David Bibby, appointed by the Council	December 2021
Russell Spratt, co-opted by the Board	December 2021
Jo Breese, appointed by the Council	June 2021
Dr Libby Harrison, appointed by the Council	December 2021

- The Deed of Variation of Trust signed in October 2016 outlines the roles of the Trust and the Guardians. All trustees may receive an honorarium.
- 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 that includes a person who is not a member of the Trust Board who has the knowledge that will assist the work of the committee. The Committee's Charter is reviewed annually and requires the committee to meet at least four times a year. Members of the Audit and Risk Committee for the 2021 calendar year are Pete Monk (Chair), Libby Harrison (Trustee), Iain Craig (independent member) and Phillip Meyer (ex-officio).
- 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 2021/22 year and may from time to time contribute to working groups established by the Chief Executive, such as the Tanglewood House steering group.

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 Board will undertake a review of the Chief Executive's performance in July 2021.

6.5 Board Skills Matrix

The Board skills matrix below outlines trustees' key skills that are considered essential in the delivery of our strategic objectives. Consideration is given to any skills gap when there is a vacancy on the Board. The matrix will be reviewed annually.

Key skill	Phillip Meyer (Chairman)	Pete Monk	David Bibby	Russell Spratt	Jo Breese	Dr Libby Harrison
Research and conservation			✓	✓	✓	✓
Financial	✓	✓		✓		
Information technology	✓	✓	✓			
Strategy development	✓	✓	✓	✓	✓	✓
Marketing	✓	✓		✓	✓	
Legal/regulatory	✓				✓	✓
Corporate governance	✓	✓	✓	✓	✓	✓
Ambassadorial	✓			✓	✓	✓
Risk management	✓	✓	✓	✓		✓
Fundraising				✓	✓	✓
Mātauranga Māori/te ao Māori				✓	✓	

6.6 Annual General Meeting

The Trust holds an Annual General Meeting (AGM) each year for members to discuss the annual report and financial statements and hear from the team activities for the coming year.

The AGM for 2021 will be held on Thursday 28 October 2021.

7. Organisational Health, Capability and Risk Assessment

7.1 Organisational Health and Capability

Our aim is to 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 2021/22.

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
Danielle Shanahan,	Director, Centre for People and Nature
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 Gold and the Toitū Envirocare carbonZero accreditation.

An across-organisation group (the Green Team) has been established to monitor ZEALANDIA's sustainability practices and suggest and implement new approaches wherever practicable.

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

- Incidents and hazards are recorded on-line and this reporting allows mitigations to be applied in a timely manner.
- Incident reports are reviewed regularly and our updated procedures of sign-off that ensures the officers are satisfied with the investigations and outcomes has been implemented and is working well.

- The Chief Executive continues to be a member of the “Business Leaders Health and Safety Forum” and uses this to inform and keep abreast of good 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 continue to maintain an Employee Support Programme through EAP Services which provides free and confidential support to all employees.
- Our Health and Safety dashboard provides our Board an important view of key data trends year-on-year.

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 PCBUs 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 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 2020/21 we will develop an asset management strategy that sets out our long-term approach to asset management, including key principles and how we manage our infrastructure going forward.

An audit of the fence was completed in 2019/20 and the results will enable a section of the Asset Management Plan to be updated in 2020/21.

Tanglewood House will also be added to the Asset Management Plan when the details of the building are confirmed.

We will also continue to improve our asset management systems and explore if there are ways to integrate these with the systems used by Council.

We will keep the Council updated on developing business cases for future capital programmes.

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, Motor Vehicle, Combined Liability (Public, Employer, Statutory, Crime, Employers Disputes, Cyber and Trustee) and Marine Hull.

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, as required. 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).

The process to review and update the framework for the risks register was completed in 2019/20. The new format employs 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 is now included in our quarterly reports to Council.

Probability of Risk	Impact of Risk				
	Minor	Moderate	Significant	Major	Severe
Almost Certain	Low	Medium	High	Very High	Very High
Likely	Low	Medium	High	Very High	Very High
Possible	Low	Medium	Medium	High	Very High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Medium	Medium

The ZEALANDIA risk register is updated annually in May as part of our planning cycle and is available to Council to view on request.

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 2019/20 was \$1,262,124 (including living wage and support of free admissions). The development of the Trust's three year rolling 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, Karori Sanctuary Trust. The Trust is a charitable trust registered under the Charities Act 2005.

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.

These financial statements were authorised for issue by the Board of Trustees on 27 August 2020.

Basis of preparation

The financial statements are prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entities Standards Reduced Disclosure Regime (PBE Standards RDR) and authoritative notices that are applicable to entities that apply PBE standards.

The Trust applies Tier 2 PBE Standards and disclosure concessions. 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.

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, certain other Statement of accounting policies grants (where there is an exchange obligation) and certain 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	10-25 years
Predator fence	25-50 years
Fixtures, Plant and Equipment	2-25 years
Vehicles	5-14 years
Other Assets	3-25 years
Computer Software	3 years

vi. Cash and Bank

Cash and bank includes bank balances, funds held at call with financial institutions and other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

vii. Accounts and Sundry Receivables

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

viii. Stock on Hand

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

ix. 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.

x. 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 recognised in the surplus or deficit.

xi. 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.

xii. 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.

xiii. Income Tax

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

xiv. 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.

xv. Changes in accounting policies

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

Comparative figures have been reclassified where applicable to conform with current year classifications.

Appendix B: ZEALANDIA Budget for 2021/22

As in past years, ZEALANDIA will continue to drive revenue and contain costs in 2021/22 and will aim to complete the year with a breakeven position before depreciation and tax.



ZEALANDIA - KARORI SANCTUARY TRUST

Accurate forecasting in Y2 and Y3 is not possible under the current levels of economic uncertainty, but we will manage the business to at least a break-even position.

Forecast 30-Jun-21	STATEMENT OF COMPREHENSIVE INCOME	Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	FYE 30-Jun-22	FYE 30-Jun-23	FYE 30-Jun-24
	Trading Revenue							
584,370	Admissions	78,750	157,500	157,500	131,250	525,000	683,000	697,000
478,770	Membership Subscriptions	83,000	124,500	124,500	83,000	415,000	423,000	431,000
	Other Operating Revenue							
	Sales of Goods							
1,844,121	Other trading revenue	259,500	519,000	519,000	432,500	1,730,000	2,249,000	2,294,000
	Other Operating Revenue							
899,193	Shareholder grants	230,193	230,193	230,193	230,193	920,774	942,872	965,501
194,546	Living wage fund from WCC	49,804	49,804	49,804	49,804	199,215	203,996	208,892
393,216	WCC Funding for Tanglewood House				393,216	393,216		
1,468,867	Sponsorships, grants and donations	242,339	161,559	161,559	242,339	807,795	824,000	840,000
	Other operating income							
	Non-operating Revenue							
	Sub-lease and other non-operating income							
43,103	Interest income							
5,906,186	Total Revenue	943,586	1,242,556	1,242,556	1,562,302	4,991,000	5,325,868	5,436,393
	Operating Expenses (overheads)							
3,771,778	Salaries and wages	877,500	877,500	877,500	877,500	3,510,000	3,688,868	3,766,393
487,037	Cost of goods sold	67,500	135,000	135,000	112,500	450,000	585,000	597,000
777,805	Other operating expenses	120,000	150,000	180,000	150,000	600,000	612,000	624,000
131,210	Trustee expenses	32,750	32,750	32,750	32,750	131,000	134,000	137,000
472,922	Administration costs	75,000	90,000	75,000	60,000	300,000	306,000	312,000
5,640,752	Total Operating Expenditure	1,172,750	1,285,250	1,300,250	1,232,750	4,991,000	5,325,868	5,436,393
265,434	Net Surplus/(Deficit) before Depreciation and Tax	(229,164)	(42,694)	(57,694)	329,552	(0)	0	0
	Other Revenue							
	Exceptional items							
	Other Expenses							
	Interest expense							
	Loss on Visitor Centre transfer to WCC							
359,250	Depreciation	100,000	100,000	100,000	100,000	400,000	500,000	500,000
(93,816)	Net Surplus/(Deficit)	(329,164)	(142,694)	(157,694)	229,552	(400,000)	(500,000)	(500,000)

ZEALANDIA - KARORI SANCTUARY TRUST

Accurate forecasting in Y2 and Y3 is not possible under the current levels of economic uncertainty, but we will manage the business to at least a break-even position.

Forecast 30-Jun-21	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-21	As at 31-Dec-21	As at 31-Mar-22	As at 30-Jun-22	As at 30-Jun-22	As at 30-Jun-23	As at 30-Jun-24
	Equity							
6,074,480	Trust Funds	5,980,664	5,651,500	5,508,806	5,351,112	5,980,664	5,580,664	5,080,664
(93,816)	Current year earnings	(329,164)	(142,694)	(157,694)	229,552	(400,000)	(500,000)	(500,000)
5,980,664	Total Shareholder/Trust Funds	5,651,500	5,508,806	5,351,112	5,580,664	5,580,664	5,080,664	4,580,665
	Current Assets							
3,638,475	Cash and cash equivalents	2,824,311	2,171,617	1,553,923	1,208,475	1,208,475	1,133,475	1,093,476
45,000	Accounts receivable	45,000	45,000	45,000	45,000	45,000	45,000	45,000
15,000	Prepayments	15,000	15,000	15,000	15,000	15,000	15,000	15,000
60,000	Inventory	60,000	60,000	60,000	60,000	60,000	60,000	60,000
	Other current assets							
3,758,475	Total Current Assets	2,944,311	2,291,617	1,673,923	1,328,475	1,328,475	1,253,475	1,213,476
	Investments							
	Term deposits							
	Other investments							
	Total Investments							
	Non-current Assets							
3,147,189	Fixed assets	3,597,189	4,047,189	4,497,189	4,947,189	4,947,189	4,497,189	4,047,189
	Intangible assets							
	Other non-current assets							
3,147,189	Total Non-current Assets	3,597,189	4,047,189	4,497,189	4,947,189	4,947,189	4,497,189	4,047,189
6,905,664	Total Assets	6,541,500	6,338,806	6,171,112	6,275,664	6,275,664	5,750,664	5,260,665
	Current Liabilities							
180,000	Accounts payable	120,000	200,000	150,000	150,000	150,000	150,000	150,000
395,000	Income in advance	500,000	280,000	410,000	230,000	230,000	230,000	240,000
150,000	Employee entitlements	150,000	150,000	130,000	135,000	135,000	140,000	140,000
200,000	Provisions and accruals	120,000	200,000	130,000	180,000	180,000	150,000	150,000
	Other current liabilities							
925,000	Total Current Liabilities	890,000	830,000	820,000	695,000	695,000	670,000	680,000
	Non-current Liabilities							
	Shareholder advances							
	Other non-current liabilities							
	Total Non-current Liabilities							
925,000	Total Liabilities	890,000	830,000	820,000	695,000	695,000	670,000	680,000
5,980,664	Net Assets	5,651,500	5,508,806	5,351,112	5,580,664	5,580,664	5,080,664	4,580,665

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ZEALANDIA - KARORI SANCTUARY TRUST

Accurate forecasting in Y2 and Y3 is not possible under the current levels of economic uncertainty, but we will manage the business to at least a break-even position.

Forecast 30-Jun-21	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	Total YE 30-Jun-22	Total YE 30-Jun-23	Total YE 30-Jun-24
	Cash Flows From Operating Activities							
	<i>Inflows</i>							
2,901,069	Trading Receipts	246,253	860,997	651,003	746,747	2,505,000	3,355,000	3,432,000
899,193	Shareholder grants	460,387		460,387		920,774	942,872	965,501
194,546	Living wage fund	99,608		99,608		199,215	203,996	208,892
393,216	WCC Funding for Centre for Tanglewood House				393,216	393,216		
1,468,867	Sponsorships and donations	242,339	161,559	161,559	242,339	807,795	824,000	840,000
	Other Income							
	<i>Outflows</i>							
3,772,224	Payments to Employees	877,500	877,500	897,500	872,500	3,525,000	3,683,868	3,766,393
1,691,974	Payments to Suppliers	435,250	247,750	542,750	305,250	1,531,000	1,667,000	1,670,000
	Net GST Cashflow							
	Other Operating Costs							
392,693	Net Cash Flows From (Used In) Operating Activities	(264,164)	(102,694)	(67,694)	204,552	(230,000)	(25,000)	10,000
	Cash Flows From (Used In) Investing Activities							
	<i>Inflows</i>							
	Sale of fixed assets							
	Sale of investment assets							
	Exceptional items							
2,000,000	Other - Term Deposit cash-out							
	<i>Outflows</i>							
595,978	Purchase of fixed assets	550,000	550,000	550,000	550,000	2,200,000	50,000	50,000
	Purchase of investments							
	Other - Term Deposit cash-in							
1,404,022	Total Investing Cash Flow	(550,000)	(550,000)	(550,000)	(550,000)	(2,200,000)	(50,000)	(50,000)
	Cash Flows From (Used In) Financing Activities							
	<i>Inflows</i>							
	Drawdown of loans							
43,103	Investment income							
	Other							
	<i>Outflows</i>							
	Repayment of loans							
	Interest paid							
	Other							
43,103	Total Financing Cash Flow							
1,839,818	Net Increase/(Decrease) in Cash Held	(814,164)	(652,694)	(617,694)	(345,448)	(2,430,000)	(75,000)	(40,000)
1,798,657	Opening Cash Equivalents	3,638,475	2,824,311	2,171,617	1,553,923	3,638,475	1,208,475	1,133,475
	Adjustments (rounding)							
3,638,475	Closing Cash Equivalents	2,824,311	2,171,617	1,553,923	1,208,475	1,208,475	1,133,475	1,093,476



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This Statement of Intent (SOI) is presented to the Wellington City Council (Council) in line with the Local Government Act 2002. It reflects the special interest that the Council has in Wellington Cable Car Limited (WCCL) as a Council Controlled Organisation (CCO) and the Cable Car as an iconic city attraction.

This Statement of Intent includes the objectives, governance structure, activities, and performance targets of WCCL. It responds to the Letter of Expectation and aims to ensure ongoing alignment with the Council's plans, policies, and strategies.

It is also influenced by the:

- operating environment
- age and condition of our infrastructure and assets
- users and community expectations

Performance targets are included for the next three years, with a detailed focus on the period from 1 July 2021 to 30 June 2022.

EXECUTIVE SUMMARY

For many years, Wellington Cable Car Limited (WCCL) has been a profitable Council Controlled Organisation (CCO), with the autonomy not to require funding assistance from Wellington City Council (WCC) and the ability to fund its ongoing maintenance, CAPEX, and asset renewals.

In FY 2018/19 (considered a baseline year), WCCL hosted 1.17M trips. In FY 2019/20, that number decreased to 862k and expected to drop further FY 2020/21 to 517k. This equates to a 55% drop in visitation from 18/19 to 20/21. The end of year financial result across the same three years shows similar trends. In FY 2018/19 WCCL posted a pre-tax profit of \$930k, and this changed significantly in FY 2019/20 where WCCL posted a pre-tax deficit and current forecasts suggesting that the FY 2020/21 deficit will increase to (\$1.46M).

The Cable Car is destined to remain in survival mode until international borders re-open and high yielding visitors return in greater volumes. Businesses across Aotearoa are facing these challenges, including our CCO whānau. However, given that the Cable Car is fully exposed to fare revenue and owning and managing all its aging assets, it means that WCCL is acutely exposed.

The Cable Car Board and management appreciated the support by Council through the inclusion of the COVID-19 response budget to assist CCO's in its 2020/21 Annual Plan. Given the forecasts losses in 2022, advocates the carrying forward of any remaining budget to assist, should it be required in 2021/22.

At the time of writing, a free-flowing trans-Tasman bubble with Australia is not expected before 2022, with other air routes following depending on vaccination schedules, demand. The current assumption is that even when international travel resumes, Cruise Ships will not return to Wellington at the frequency or volume once seen. This continues to represent a significant risk for the Cable Car as it aims to fill the void.

In response to the current environment, WCCL has reviewed its business model, reorganised itself in a leaner, more innovative & efficient team. These initiatives have significantly reduced operational costs, slowing the erosion of cash reserves.

Whilst we have used these reserves for more than 12 months, it has become clear that without international visitation, the Cable Car will continue to deplete its reserves for the next two years, including funds set aside for asset replacement. The support provided by WCC in FY 2020/21 and inclusion of the Cable Car tunnel strengthening in the Council's 2021-31 LTP is critical to managing WCCL's future capital funding requirements.

I. COVID-19 IMPACT, ACTIONS & INTENT

From May 2020, as NZ came out of Alert Level 4, and with the gravity of the situation facing the Cable Car, a comprehensive review of its entire operation started with the aim to survive the pandemic, became more agile, reduce costs, and right sized itself in preparation for future operations.

The process that continues has transformed this business and continues to evolve as our operating environment changes. Below, some of the significant actions (both cost-saving and revenue-generating) undertaken are highlighted, and where appropriate, more details are referenced further in the SOI.

I.I. MITIGATING ACTIONS

Reviewing Service Levels – In pre-COVID-19 times, the Cable Car had operated till 10pm Monday to Saturday (Sunday & Public Holidays 9pm). Analysis indicated that the service from 8pm was poorly utilised and seldomly profitable; however, pre COVID-19, it was acceptable to maintain longer hours as a community service and absorb this cost. Hours of operation have been reduced to match visitation demand and shortened to 8pm Monday to Saturday, with a 7pm closing on Sundays & Public Holidays.

Reducing costs – Commercial contracts have been reviewed and renegotiated with suppliers to meet current operational needs. Partnerships with other CCOs continue to be explored for mutual benefit, such as working with Experience Wellington to share underutilised commercial office space for mutual benefit.

Significant insurance premium increases have annulled various cost savings initiatives. WCCLs premium increase by \$142k in FY 2020/21 representing a 34% increase in a single year.

Given the fixed cost nature of the business, there are limited opportunities to rationalise costs further without discussing a significant reduction in operating hours, increasing risk exposure, or hibernating the business for periods.

Structure review – WCCL was structured and staffed to meet <1.1M passengers per year. In 2020, the organisation went through a review and subsequently re-structure to ensure the appropriate functions were in place to support the survival in a COVID-19 world with the correct number of staff. WCCL went from a headcount of 24 to 19, a 20% reduction in staff numbers (a combination of FT, PT, Fixed term, and Casual roles).

CAPEX & Maintenance – All CAPEX and maintenance items were scrutinised, and all non-critical spend has been and continues to be deferred to future years. Items that remain fall into three broad categories.

- Maintaining critical assets for a safe and reliable operation
- H&S Critical
- Revenue Generating initiatives

Approximately \$3M of spending has been deferred thus far, including seismic strengthening of tunnels and key investigative work on various other assets. Further information on WCCL Assets can be found in section five.

Government Assistance & relief funding – WCCL applied and received two out of the three COVID-19 subsidies offered by the central government. We remain vigilant for any available funding and apply where appropriate.

Website and eCommerce – In September 2020, WCCL partnered with a local development team and launched a new website focused on eCommerce. This has enabled us to drive more online promotions and discounts for local commuters.

Marketing initiatives – New marketing initiatives, messaging, and comms have been developed to appeal to and attract local and domestic customers. Product combos, specialty offering and collaborations and with other CCOs are being released to attract new customers. Further information on Marketing is contained in section four.

Product development & New channels – As part of the re-structure, a Business Development role was established and focuses on opening new channels and identifying new products. Thus far, a new tour product was developed, tested, and now on offer to school groups visiting the Cable Car and several Experience Wellington venues.

Pricing – To date we have not materially adjusted pricing. There is research to suggest that there is limited price elasticity with the local commuter market. With rising operational costs, price increases will need to be considered to ensure that additional burden is not going to be placed on the operation.

1.2. CABLE CAR FINANCIAL AND COMMERCIAL LENS

From a period of sustained profits prior to the impact of COVID-19, the Cable Car, since February 2020, has incurred significant reductions in passenger numbers, primarily because of a decline in international visits. Despite cost-saving & efficiency initiatives, this has and will continue to have a significant impact on the Company's profitability, to a point where forecasts show significant losses for the next two years at least.

	2018/19 Actual	2019/20 Actual	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast
Passenger numbers	1,170,392	862,487	516,957	602,490	843,486	1,096,532
Total expenditure	\$ (4,690)	\$ (3,964)	\$ (3,179)	\$ (3,219)	\$ (3,273)	\$ (3,537)
Total income	\$ 5,304	\$ 3,049	\$ 1,719	\$ 1,839	\$ 2,587	\$ 3,400
Profit/(Loss) Before DPN & Tax	\$ 614	\$ (915)	\$ (1,752)	\$ (1,680)	\$ (986)	\$ (437)
Depreciation (DPN)	\$ 316	\$ (294)	\$ (293)	\$ (300)	\$ (300)	\$ (300)
Profit/(Loss) before tax	\$ 930	\$ (621)	\$ (1,459)	\$ (1,380)	\$ (686)	\$ (137)
Closing Cash Position	\$ 5,007	\$ 4,097	\$ 2,688	\$ 1,603	\$ 1,239	\$ 1,413

NOTES:

1 – 2019/20 Includes COVID-19 subsidy revenue

2 – 2020/21 revenue forecast is prior to accounting for any COVID-19 response funding support that may be provided as part of WCC's COVID-19 support budget.

Should international tourism not return in the next 18 months, the Cable Car will continue to post deficits eroding its cash reserves and constrain its ability to fund ongoing maintenance and future asset renewal programmes.

The WCCL board have considered several different scenarios, however it is noted that these would have potentially significant impacts on the community and the vibrancy of the City.

These options include

- 1) Operating the Cable Car during peak commuter service only until demand increases to profitable levels
- 2) Rolling stops during the day to achieve worker break requirements as an alternative to additional staff to cover rest and meal breaks
- 3) Hibernate the service through winter or until international borders re-open and tourists

return

- 4) Reduce the number of assets insured (e.g., not insure the intermittent stations) to reduce increasing premiums

It is appreciated that Council and the Wellington public may consider some or all these untenable. Accordingly, this Statement of Intent is predicated on continuing to operate the Cable Car as outlined in the SOI and continue to seek efficiencies, driving new business and increasing utilisation.

The Board is happy to maintain the course that has been charted and given the changing environment, will closely monitor progress. The Cable Car is appreciative of the support from Council through 2020/21 from the \$5M set aside in the Council budget for CCO's, this has been a good initiative and depending on how the drawdown of this occurs across the year if there are any unallocated funds we would recommend retaining to provide similar support in 21/22 should trading conditions not improve.

1.3. FUNDING FOR ASSET RENEWAL & MAINTENANCE

Given the current financial environment and an aging asset base, WCCL continues to explore options to fund asset renewal, deferred maintenance, and seismic strengthening through various means.

As part of the LTP process, WCCL updated its Asset Management Plan (AMP) and applied for \$4.5M over six years for Seismic Strengthening and Assessments of the Cable Car Tunnels, Bridges and Lambton Terminal. Concurrently through the Regional Land Transport Programme (RLTP), \$2.4M over the next three years, was applied to invest in the same body of work. The total costs for this work are \$6.9m over six years (\$4.5M from WCC via the LTP and \$2.4M from Waka Kotahi RLTP).

The Board supports the initiative to include the provision of funding for the strengthening of Cable Car tunnels in the Council's 2021-2031, as the sustained operating losses forecast from 2020-2023 mean the Cable Car will no longer be building cash reserves for capital replacement and is unlikely to be able to fund these works as initially envisaged.

1.4. OUR INTENT FOR FY 2021/22

WCCLs vision for 2021/22 remains to *host uniquely Wellington experiences that locals are proud of and visitors remember & share*. Our focus is to ensure that the Wellington Cable car provides safe, reliable, and efficient service to commuters and visitors alike.

Having made significant losses in FY 2019/20 & 2020/21, all non-essential CAPEX and maintenance work remains deferred due to lack of funding. We acknowledge the councils support in maintain some critical works in the LTP programme and await the decision.

Given our broad and varied asset base, WCCL aims to increase its understanding of our asset base by continuing exploratory work on bridges, terminals, stations, and track where possible. Having a deep understanding of all assets will allow WCCL to make educated decisions on prioritising maintenance work.

WCCL will continue to ensure that financial discipline is maintained to minimise the draw on cash reserves to ensure financial sustainability is returned as soon as possible.

We will continue developing and refining new products, especially those that open new revenue streams and attract new and emergent markets. We will continue to develop collaborations with our CCO whānau for mutual benefit.



Any price increase was deferred for the summer period; however, it will need to be considered soon. Casual Fares' last price adjustment was July 2018, with adjustments to Family and Multi-Trip in February 2020. In 2021 a price adjustment will be required to keep in step with rising operational, insurance and maintenance costs.

Finally, WCCL is committed to looking after its staff, who have continued to perform admirably in the face of extremely challenging and uncertain times. Without them, the operation is nothing, and it is because of them, the Cable Car looks forward to its 120th birthday in 2022.

2. FY 2021-22 PERFORMANCE MEASURES

WCCL monitors our performance over the following seven categories

- | | |
|-----------------------------|---------------------------|
| 1. Health & Safety | 5. Visitation |
| 2. Environmental | 6. Revenue |
| 3. Quality | 7. Financial independence |
| 4. Reliability / Timeliness | |

We have developed a performance framework and performance measure to track our performance over these critical areas.

2.1. HEALTH & SAFETY

Performance Indicator	How will it be measured	Target/Result
Cable Cars, track, tunnels, bridges, buildings, and equipment are maintained to the required standard.	Required inspections and tests will be satisfactorily completed. Recommendations will be actioned.	Rail safety licence maintained.
Wellington Cable Car has a robust Asset Management Plan (AMP).	The Asset Management Plan will be updated in 2021/22 and approved by the Board.	Asset Management Plan will be approved and implemented.
Health and Safety is actively managed and systematically improved.	Risk register reviewed at each H&S meeting, with mitigation and minimisation options discussed and, where possible, implemented.	Improved infrastructure, equipment, tools, processes, and training.

2.2. ENVIRONMENTAL

Performance Indicator	How will it be measured	Target/Result
Cable Car Sustainability	Develop an Emissions Reduction plan.	The Emissions Reduction plan is approved and implemented.

2.3. QUALITY

Performance Indicator	How will it be measured	Target/Result
Cable Car User Satisfaction	User Satisfaction Survey administered and analysed by independent research specialist.	Maintain Net Promoter Score equal to or better than CXI Benchmark.
	Trip Advisor and Google ranking	Maintain a rating of 4.2 or higher for both platforms
The service level meets established tourism standards.	Annual Qualmark assessment.	Qualmark GOLD standard reached and maintained.

2.4. RELIABILITY/TIMELINESS

Performance Indicator	How will it be measured	Target/Result
Cable Car Service Reliability	Percentage Reliability	Greater than 99.0%

2.5. VISITATION

Estimated Cable Car Passenger Trips					
	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Total
2021/22 Trips	114,469	172,881	183,809	131,331	602,490

2.6. REVENUE

Estimated Cable Car Passenger Revenue					
	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Total
2021/22 Revenue	\$364,269	\$545,306	\$521,061	\$407,968	\$1,838,604

2.7. FINANCIAL DISCIPLINE

Performance Indicator	Measure	Target/Result
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 following the delegations' policy

2.8. COUNCILS EXPECTATIONS

Wellington Cable Car will continue to remain aligned with the Council's plans, policies, and strategies. Below is a list of specific items raised in the letter of expectation and Wellington Cable Car's response to each of these:

Council's Expectations	Wellington Cable Car's Response
Te Atakura First to Zero Policy	<p>The Cable Car is fully electric with a carrying capacity of 100 pax on a motor about the same size as a Ute. WCCL prides itself on being one of the most efficient modes of transport in Wellington.</p> <p>In 2020, we commissioned and received a report that included several recommendations for improving electricity use and CO₂ emissions. Several recommendations have already been implemented, and we are continuously looking for opportunities to improve our performance.</p>
Support Council's Te Tauihu Te Reo Maori Policy	Wellington Cable Car publishes an information brochure in Te Reo Maori and has a Maori language option on the Cable Car website.
Support Te Mapihi Maurea Naming Policy	As Wellington Cable Car facilities are progressively upgraded, we will seek ways to incorporate Te Reo into wayfinding and other signage where appropriate.
Accessible Wellington	In 2018, Wellington Cable Car achieved the first Platinum Accessibility Rating of any organisation in Wellington. We remain focussed on maintaining and, where possible, working with interested groups to improve the experience and accessibility for all visitors.
An innovative, inclusive quirky city	<p>Wellington Cable Car supports local artists wherever possible and will continue to look for ways to use local artwork to enhance the Cable Car visitor experience.</p> <p>We will continue to work with artists to provide them with a platform to show their arts and support other initiatives such as, "What if the city was a Theatre?"</p>
An accessible capital city	<p>Wellington Cable Car supports the Council's commitment to the Living Wage. All Wellington Cable Car employees are paid at or above the Living Wage.</p> <p>We will continue to find opportunities to improve signage and wayfinding at both the Lambton Quay and Kelburn terminal areas</p>

Council's Expectations	Wellington Cable Car's Response
Kelburn precinct	<p>In 2020 the Cable Car reinitiated a korero which involves all stakeholders around the Kelburn precinct, whether they be CCOs or local businesses.</p> <p>This collaborative approach was focused on driving visitation and improving the visitor experience to the precinct. In 2021/22, the Cable Car will continue to lead in that space and facilitate further discussion for mutual benefit.</p>
Health and Safety at Work Act 2015.	Wellington Cable Car is acutely aware of its obligations under the Health and Safety at Work Act 2015. We are always looking for opportunities to improve worker safety and have recently finalised a new Safety Management System. We have regular health and safety meetings to discuss opportunities to assess, eliminate and reduce risks.
Provide an update on significant upgrade and renewal projects over the next three years	Details on the age and condition of assets are included in section 5. Next year we plan to complete track maintenance work, detailed bridge inspections and planning for seismic improvements of the tunnels.
Provide an update on the proposed Car replacement	2021/22 will see the replacement and refurbishment of the 4 th and 5 th bogies, respectively. After the final refurbishment, and in consultation with manufactures and technical experts, we will be able to make an informed decision about the condition and the remaining life. At this stage, it is not believed that replacement will occur in this LTP cycle.
Provide an update on Asset Management Planning.	<p>We now have comprehensive and detailed seismic performance information on our tunnels, tracks, and sleepers.</p> <p>Further investigation needs to be conducted on bridges, terminals, and stations, which will be used to update our Asset Management Plan in 2021/22.</p>

3. ABOUT THE WELLINGTON CABLE CAR

3.1. WCCL HISTORY

The Wellington Cable Car is one of the City's best-known tourist attractions. It is a funicular railway with a track length of 609 meters which climbs 120 metres from the Lambton Terminal at the end of Cable Car Lane through to the Kelburn Terminal on Upland Road. The route includes three tunnels and three bridges. The Wellington Cable Car opened in February 1902, and the Cable Car Route is now a Heritage Area.

¹There have been several equipment upgrades and improvements over time. The most significant of these was the almost complete replacement in 1978/79. This included replacing the original wooden Cars with steel-framed Cars, replacing the drive system, replacing the original double tracks with a single track and a passing loop. The original wooden viaducts were also replaced in the 1930s with the current hot riveted steel rail beams supported by concrete pillars. More recently, the Kelburn terminal was replaced in 2013, and the drive and control systems were replaced in 2016.



²The Cable Car was developed initially to provide convenient public transport between the village suburb of Kelburn and the city centre. The Cable Car continues to provide a public transport function; however, it has been adopted as an iconic symbol of Wellington, and in pre-COVID-19 times, was the second most visited tourist attraction in the City, welcoming 1.1 million passengers per year.

The Cable Car is well maintained, but as a high use public transport asset, it now requires more comprehensive maintenance and inspections and forward-looking planning and asset management to ensure that it can continue to provide reliable and safe travel in the future.

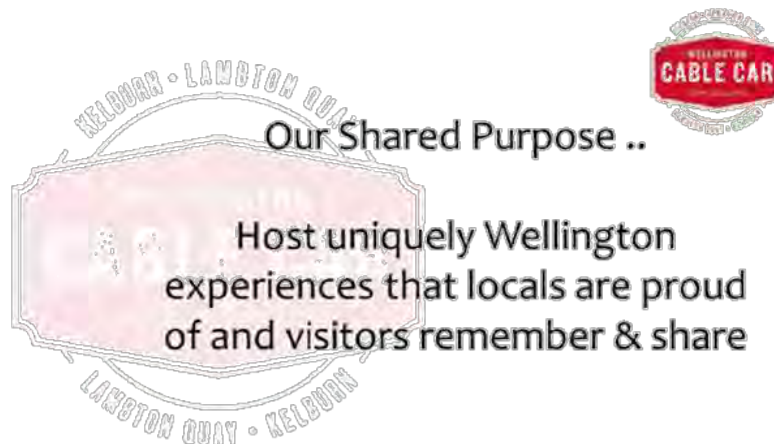
In recent times, the Cable Car has been solely by passenger revenue and does not receive any other central or local government funding to subsidise it.

¹ <https://tiaki.natlib.govt.nz/#details=ecatalogue.208556>

² <https://tiaki.natlib.govt.nz/#details=ecatalogue.459563>

3.2. SHARED PURPOSE

In 2020, with a relatively new board of directors, the appointment of a new Chief Executive and having to re-evaluate its business model due to the COVID-19 pandemic, the Cable Car developed its Shared Purpose and Values to help guide it through its next phase of operation.



3.3. VALUES



3.4. APPROACHES TO GOVERNANCE

WCCL is a Council Controlled Organisation (CCO) incorporated in 1991 to manage the Wellington Cable Car and the Overhead Trolley Bus network. The Company's constitution requires that the Board has a minimum of two Directors. The Directors are currently members of the WCC executive appointed by Wellington City Council delegated to its Chief Executive.

The Board meets regularly, and formal Board meetings are held quarterly, with additional meetings scheduled as required. The Board are responsible for guiding the strategic direction and approving the Statement of Intent. The Board monitors the organisations performance and the performance of the Chief Executive. They also monitor the policies and practices of Wellington Cable Car to ensure that they are aligned with the Council and other stakeholders' expectations.

3.5. MANAGEMENT & STRUCTURE

During 2020/21, WCCL undertook a full review of its size and structure to ensure that the organisation fit for efficient operations in a post COVID world.

Reporting to the Chief Executive, the Asset & Engineering Manager, Operations Team Leader, Company Accountant and Sales & Marketing Executive form a small but agile group with complementary skills sets to continue to ensure the Cable Car operates safely, efficiently, and effectively.

The Ops TL looks after a team of skilled and engaged Drivers who ensure the safe and timely operation of the Cable Car.

3.6. PEOPLE

We recognise that our people are at the core of our business. We are committed to creating a positive environment that allows our people to thrive personally and professionally, enabling them to bring their whole selves to the workplace.

Key initiatives which have started in 2020/21 and will continue into 2021/22 include:

- Ensuring staff wellbeing is monitored given the current and ongoing challenges
- Using our Shared Purpose to guide business decision making
- Embedding our values into Day-to-Day operations:
- Continued focus on Personal & Professional development
- Focus on career development and progression
- Collaborative approach to problem-solving, including the development of SOPs to support training

3.6.1 HARASSMENT

WCCL is committed to maintaining a safe and discrimination-free environment that encourages respect for the dignity of everyone. We endeavour to maintain an environment free from harassment based on gender, race, colour, religion, national origin, ancestry, age, marital status, sexual orientation, pregnancy, physical or mental disability, or citizenship.

3.7. ENVIRONMENT

The Cable Car is electric and is a very energy efficient mode of transport because it is a funicular the Cars are virtually weightless. The motor to drive the Cable Car is less than 200kW (smaller than a Ford Ranger) with a carrying capacity of 200 pax (100 in each car).

The Cable Car also has regenerative braking, so the energy to slow and stop the Cars under normal operation is fed back into the local electricity network. Because of this, we are described as a distributed generator.

In 2020 WCCL commissioned an Energy Emissions Profile and a type 1 Energy Audit. We have implemented several recommendations and continuously looking for opportunities to improve our performance.



We continue to provide our emissions data to WCC as part of its emission inventory process.

WCCL remains focused on reducing energy consumption and minimising our footprint wherever possible. Our goal is to work with Councils Climate Change Response Team to develop an emissions reduction plan.

3.8. OPERATIONAL HOURS

In response to COVID-19 and with the aim of looking at how to operate more efficiently and effectively, hours of service were reviewed.

Historically the Cable Car had operated till 10pm Monday to Saturday (Sunday & Public Holidays 9pm). Analysis indicated that the service from 8pm was seldomly profitable.

WCCL moved to a Summer / Winter timetable, with the changes aligned to daylight savings.

Hours of operation were reduced to match visitation demand and shortened to 8pm Monday to Saturday, with a 7pm closing on Sundays & Public Holidays.

We continue to reflect on usage needs and adjust timings to suit seasonality and forecast demand.



3.9. OPERATIONAL EFFICIENCIES

WCCL strives for continuous improvement in its operational management. Systems and Processes are continuously reviewed with a focus on ensuring we operate in the most effective manner. Where possible, we are using applications to automate repetitive tasks to minimize processing time and removing human errors.

3.10. DATA SECURITY & IT

During 2020/21, WCCL migrated all its data systems and storage to a cloud-based system, enabling the organisation to work remotely much more quickly and efficiently should the need arise. This migration also ensures that our security systems were reviewed and 2FA introduced to ensure we meet the industry standard for data security.



4. SALES & MARKETING

4.1. MARKETING STRATEGY

WCCL has taken time to review and reflect on its operational model, customers, products, and services. Through this, 6 main Market origin categories were identified.



In 2020/21, WCCL developed a new Strategic Marketing plan and established key focus areas.

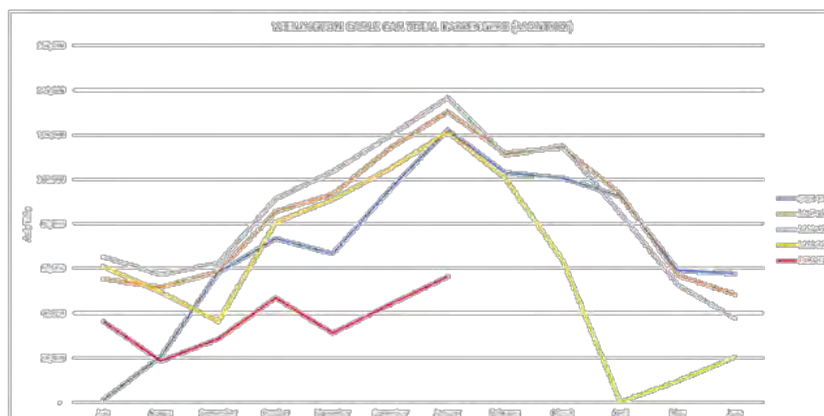
These included

- Campaigns targeting
 - Friends and Family visit Wellingtonians
 - Domestic tourist aligned with city and partner events
- Develop greater penetration in the School / Education market
- Partnership with CCOs to appeal to new audiences with a specific family focus
- Maintain connection with wholesalers / ITOs to capitalise when border re-open
- Continue to be a leader in the revitalisation of the Kelburn precinct at the top of the Cable Car

4.2. MARKET CONDITIONS

For several years, the Cable Car enjoyed substantial year on year growth thanks to growth in international tourism and cruise ship berth during the summer months.

As a result of the COVID-19 pandemic, visitation has been hit incredibly hard, with an <55% loss in passengers when compared to FY 2018/19.



The loss of high yielding international visitation coupled with flexible working patterns where fewer people are coming into the CBD daily and the increase in operational costs are increasing proves to be a challenging time for the Cable Car. Like many other businesses in Wellington, the Cable Car has refocused its offering to a predominantly domestic market, choosing to target a family-friendly offering and collaboration with other CCOs and businesses around Kelburn such as Space Pace, Cable Car Museum, Zealandia, and the Botanic Gardens.

The Cable Car is more reliant than ever on events in Wellington to attract customers, especially domestic tourists. WOW, Music Concerts, Festivals, and sporting fixtures will help bring Kiwis into the CBD and ride the Cable Car.

With new strains emerging, uncertainty around travel bubbles (a likely hood the pacific will open before Australia causing a negative impact on domestic tourism in NZ) and uncertainty around vaccination programs, the Cable Car is planning on another year with only domestic visitation. In the longer term, there is consideration being given to the possibility that we may never see the volume of cruise ships arriving in Wellington, which highlights the importance of efficient operation and appropriate market appeal.

4.3. PRICING

Our aim with pricing is to maximise profit and passenger numbers. It is always a balance to set prices that represent value for all customers; typically, tourists have different expectations than local commuters. The last price adjustment for Casual Fares was July 2018, and Family and Multi-Trip passes had a price adjustment in February 2020. In 2021 a price adjustment will need to be made to keep in step with rising operational and employment costs.

6.3.1 SuperGold

When the SuperGold scheme was introduced, WCCL received 75% of the adult passenger fare which quickly reduced to 65%. Since 2016 the funding has been capped and in 2021 remains at \$91k. The current reimbursement rate (2020/21) is \$2.26 (ex GST) per trip, and at the time of writing, it is expected funding to be reached in March 2021.

We will seek to secure increased funding for the SuperGold Scheme to reflect the increased demand and improve the financial position of the Company.

4.4. CUSTOMER EXPERIENCE

We are continuously investigating options to enhance the visitor experience. Options actively being considered include.

- Improved signage on Lambton Quay to guide people down Cable Car lane
- Curating the Customer Journey from Lambton Quay, through Cable Car lane, Lambton Terminal to Kelburn
- Wayfinding and directional signage at both Terminals, including deployment of further digital screens
- Upgrade of the Lambton Terminal
- Replacement and upgrade of the display lights in the upper two tunnels.

Over time, other work will also be required to upgrade, replace and improve retaining walls near the track, fencing and security.

4.5. EVENTS

Events continue to be a great way to attract customers to the cable car and make the precinct more vibrant. We have developed a full calendar for the coming year, which includes participating in WCC initiatives such as "What if the City was a theatre?". We have hosted our own such as Fairy Trina kids' events, Halloween and continue to work with other community groups such as China Cultural center Wellington for mid-autumn, Speed Dating and utilising the event as a venue.

5. NATURE AND SCOPE OF ACTIVITIES

As Kaitiaki of this Taonga, all our activities support our shared purpose to operate, maintain, promote, and improve the iconic Wellington Cable Car for future generations.

5.1. LEGISLATIVE REQUIREMENTS

Legal requirements continue to evolve and become more robust. Examples of this are the Health and Safety in Employment Act, 2005, the Local Government Act, Building Act, Railways Act, Passenger Ropeways Regulations, and others. We will continue to improve our infrastructure, systems, and processes to meet these evolving legislative requirements.

5.2. ASSETS

The Cable Car owns and maintains a range of infrastructure assets, with a broad range of complexity, age, and condition. Most of the simple maintenance is completed in house with overflow work being outsourced out. More complex and require specialist skills to inspect, test, access and maintain. We partner with a range of technical specialists where specialised skills and/or tools/instruments are required.

Our oldest assets are our three tunnels. Construction of these began in 1898 and over the last few years, investigations into the seismic performance of the tunnels have been undertaken to give us an excellent understanding of the condition and the risks.

The three steel bridges were constructed in the 1930s, to replace the original wooden bridges. We have a good understanding of the maintenance requirements of Salamanca Bridge, with some more investigation to be complete at Rawhiti and Talavera. Further seismic assessments need to be carried out at all three bridges.

The existing track was installed in 1979. Pre-used rail was used, with a mix of new treated pine and hardwood sleepers. The rail is generally in good condition and is expected to be serviceable for another 40-50 years.

The steel-framed Cars date back to 1979. They are in very good condition but are showing signs of their age. The motor, drive and control system were replaced in 2016 and remains compliant with current European Standards. This equipment and these systems are regularly maintained following the manufacturer's recommendations.

The complexity and range of assets means that it is extremely expensive to maintain. The Cable Car has applied for Waka Kotahi and LTP funding to assist with the investigative costs to better understand works required to ensure the Cable Car runs safely and reliability for future generations.

9.2.1 TUNNELS

We have been working with WSP to assess the Seismic performance of the Cable Car tunnels. The tunnels were constructed back in 1902 and are an essential heritage feature of the Cable Car.

While there are no immediate safety concerns, several options to improve seismic resilience have been identified. Resource Consent was issued for remediation work on the Upper Portal of the middle tunnel, which allows the following steps to be undertaken when finances allow.



These improvements will be undertaken over time to improve the seismic resilience of the tunnels steadily.

9.2.2 BRIDGES

In 2019/20, we responded to a recommendation to treat areas of rust on the longest bridge at Salamanca station. This work evolved into a complete repaint. The work also prompted investigation into the condition of the roller bearings and the fixing of these to the concrete piers. Approximately one-third of the fixings were replaced, and the roller bearings were refilled with oil.

We will washdown and inspect the other two bridges (at Rawhiti and Everton Terrace) in 2020. This will allow us to assess the condition and plan any painting and repair work that may be needed in future years.

We also plan to begin work to update the seismic assessment of the bridges in 2020/21.

9.2.3 TRACK



The track was installed in 1979, using second-hand rail supported by a mix of treated pine and hardwood sleepers. The sleepers are now over 40 years old, and the ones in exposed areas are due for replacement. This work will be prioritised and scheduled to be completed during our usual annual shutdown.

During the 2020 shutdown, ten sleepers were replaced with new composite sleepers.

Given the uniqueness of the rail, we have had to look internationally to be able to source replacement sections. Work on the track will be ongoing and will be scheduled to take place during our annual shutdowns.

9.2.4 CARS/BOGIES

Following advice from the original equipment manufacturer, we completed a comprehensive maintenance and inspection on the Cars in 2019. This work was done in partnership with Doppelmayr/Garaventa Group and local engineers from ACME Engineering. Similar work will also be completed in 2020 on the two lower bogies.

We have four bogies in use (two in each car) and one spare. The bogies (chassis under the Cars) are progressively being reconditioned by specialist engineers at ACME engineering, based on technical advice from Garaventa in Switzerland. When this work is completed, we will have a better



understanding of the condition and remaining service life of all the bogies. During this process, all safety systems are tested to the appropriate standards to ensure that they continue to meet their original performance requirements.

This will allow us to make an evidence-based decision about the condition and the expected remaining operating life of the Cars and therefore plan for replacement of the rolling stock.

9.2.5 TERMINALS & STATIONS

We have recently completed a high-level seismic assessment of our Lambton Terminal and will continue to plan for more detailed assessments and improvements (where necessary) to all our infrastructure.

The intermediate stations are serviceable, but the stations at Talavera and Salamanca may require improvements to meet current safety standards.

6. HEALTH, SAFETY & WELLBEING

WCCL is committed to developing and maintaining an enduring and resilient approach to Health, Safety and Wellbeing that embeds a culture of zero harm within the Company, adhere to legislative requirements and ensures that staff, contractors, and the public are not exposed to unnecessary risk or harm in their dealings with WCCL.

This is reflected in the following policy statement.

We are committed to creating a work environment that supports and grows our people and enables them to go home healthy and safe every day.

We must build a workplace environment that encourages and supports our people to take responsibility for their Health, Safety and Wellbeing as well as supporting others that they are working and engaging with (including passengers and contractors).

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:

6.1. 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:

In each category, the effect of a risk on the business has been considered, and the level of risk assessed, considering any controls that have been put in place. Risk mitigation actions and controls are determined such that the level of risk is 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.

WCCL regularly reviews and updates its WCCL Risk Register, and the latest version containing all the high risks is included in Appendix One.

At a governance level, Health & Safety reporting is a standing item at all Board meetings, ensuring that Directors remain across 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).

6.2. INSURANCE PROGRAMME

The placement was made with Lloyds through an introduction by WCC on the best terms that could be achieved, but not for complete replacement. WCCL has continued this approach in the subsequent years based on advice from its insurance broker AON and does not expect this to change in the period relating to this statement of intent.

The amount of cover necessary has been calculated on the basis of Probable Maximum Loss, as advised by the structure and earthquake engineering consultant.

In FY 2019/20, WCCL insurance cost were \$415k compare to \$557k in FY 2020/21. A \$142k or 34% increase in a single year negates most of the operational savings made through various initiatives.

At the time of writing, WCCL has not completed its insurance renewal regarding the 2021/22 year; however, we are preparing for another significant premium increase.

7. APPENDIX ONE – WCCL RISK REGISTER (High Risks)

7.1. RISK MATRIX

WELLINGTON CABLE CAR RISK MATRIX



Impact				Frequency / Likelihood	
	People	Business	Environment		
1	Insignificant Minor bumps, bruises or abrasions possible.	Insignificant Minor impact on business operations \$100 > COST < \$1,000	Insignificant Negligible environmental impact	1	Rare Not observed in 10 years and very unlikely
2	Minor First Aid or minor medical treatment is required.	Minor Minor impact, minimal reputational damage \$1,000 > COST < \$10,000	Minor Minor environmental impact able to be resolved without external assistance	2	Unlikely Occurred maybe once in last 10 years but still unlikely
3	Significant Incident requiring treatment by a qualified practitioner	Significant Significant reputational damage, possibility of closing Operation for short period of time \$10,000 > COST < \$100,000	Significant Significant environmental impact requiring outside assistance to resolve	3	Possible Occurred once in the last 5 years and occurrence is always possible
4	Serious Life or limb threatening injuries	Serious Serious reputational damage, possibility of closing Operation for extended period of time \$100,000 > COST < \$250,000	Serious Serious environmental impact requiring outside assistance to resolve, long term effects on environment.	4	Strong Possibility Occurred once in the last year and occurrence is probable
5	Severe Fatalities are possible.	Severe Severe reputational damage, possibility of closing Operation for indefinitely \$250,000 > COST	Severe Widespread contamination/damage, serious long term threat to environment. Requires significant outside agency assistance to resolve.	5	Almost Certain Monthly occurrence is probable

7.2. HEAT MAP

WELLINGTON CABLE CAR RISK MATRIX - HEAT MAP



Impact	Severe	5	5	7.5	10	12.5	15	17.5	20	22.5	25
	Serious	4.5	4.5	6.75	9	11.25	13.5	15.75	18	20.25	22.5
		4	4	6	8	10	12	14	16	18	20
	Significant	3.5	3.5	5.25	7	8.75	10.5	12.25	14	15.75	17.5
		3	3	4.5	6	7.5	9	10.5	12	13.5	15
	Minor	2.5	2.5	3.75	5	6.25	7.5	8.75	10	11.25	12.5
		2	2	3	4	5	6	7	8	9	10
	Insignificant	1.5	1.5	2.25	3	3.75	4.5	5.25	6	6.75	7.5
		1	1	1.5	2	2.5	3	3.5	4	4.5	5
				1	1.5	2	2.5	3	3.5	4	4.5
			Rare		Unlikely		Possible		Strong Possibility		Almost Certain
			Frequency / Likelihood								

7.3. HIGH RISKS

Business & Strategic Risks

Risk/Hazard Identified	Pre-controls			Mitigation/Controls	Post Controls		
	Impact	Frequency / Likelihood	Rating		Impact	Frequency / Likelihood	Rating
Cruise Ships dont return to Wellington	5	3	15	Ensure alternate market segments are identified and part of Strategic Marketing plan Differential pricing for Internation Casual passengers Work with Wholesale / Trade to ensure we have reach into international channels Maintain relationship with WCC	4	3	12
Closed International Borders	5	3	15	Maintain close relationships with Local Stakeholders i.e.: Students (Halls of Residence, VUWSA), Kelburn residents Ensure domestic tourism is part of Marketing efforts to mitigate risks of lack of international tourism. Maintain relationship with WCC	4	3	12
Operational risk	3	5	15	Clearly defined SOPs for known events and how to address them Regular staff training and competency checks Constant reviews to ensure learning are captured and new events incorporated into training	2	4	8

Maintenance Risks

Risk/Hazard Identified	Pre-controls			Mitigation/Controls	Post Controls		
	Impact	Frequency / Likelihood	Rating		Impact	Frequency / Likelihood	Rating
Damage to the cable car by the general public after business hours	3.5	3.5	12.25	Security cameras at Kelburn and Lambton, and inside the Cars. Intruder alarm at Lambton and Kelburn Terminal which is monitored and patrols are sent if the alarm is triggered. Sprinkler system at the Kelburn Terminal to discourage trespassers. Some sections of the track are fenced to minimise access, together with signage to discourage trespassers. Smoke detectors at Lambton Terminal and in the winding room. Sprinkler system at the Lambton Terminal.	2.5	2.5	6.25
Untidy workplace and wet floor areas (leading to a risk of slip, trip or fall)	3	4	12	Tidy workspace - cables managed, floor clear of objects and oil & water spills cleaned up	3	2	6
Moving Rope	4	3	12	Workers given H&S induction training via ZHA Workers do not cross track when Haul Rope is moving Drivers notified before work commences on track (Start time & Location) & high vist placed at Lambton Quay terminal Track workers must carry radio and maintain comms with Drivers Drivers instructed not to start until clearance is given by track worker	3	2	6
Pitt work *Slips trips and falls *Fractures *Head injury	4	3	12	Restricted access (trained staff only) Chicken mesh used on deck surrounding pit to provide non-slip surface Floor is sloped and free draining Oil spills are cleaned up immediately Appropriate PPE is available and used	3	2	6
Extreme Weather Events (water/wind)	3	4	12	Gutters and drains kept clear. Wind speed monitored. Drivers monitor weather and report any damage or extreme weather.	3	2	6
Fire (anywhere on Cable Car premisses)	4	3	12	Fire hoses at all intermediate stations. Fire extinguishers in both Cable Cars, control room, winding room and ticket box. Lambton and Kelburn Terminals has fire alarm call points and siren connected to fire service and monitoring NZ. Employees are trained in evacuation procedures. Drivers are trained to use firefighting equipment. All fire fighting equipment is inspected regularly and well maintained. Fire alarm and sprinkler system are checked regularly as part of Building Warrant of Fitness process. Fire sprinkler system in Lambton Terminal. Smoke detectors connected to fire alarm system in the Kelburn Terminal and winding room. Exit signs and emergency lighting provided in Lambton and Kelburn Terminals. Passenger entry and exist gates all open on activation of fire alarm (this is tested regularly as part of BWOF tests). Secondary fire egress in the Lambton Terminal, for use if main egress is unsafe.	3	2	6
Hazardous Substance Use and Storage *Liquid *Gas	4	3	12	Hazardous Substance Register (and listed on Zero Harm) Follow MSDS recommendations Correct Storage (separation and safety storage cabinets in winding room and garage) Spill kits available Eye wash stations in winding room and dungeon and running water available at intermediate stations and Terminals Appropriate PPE is available and used	2	2	4

Drivers & Ticket Booth

Risk/Hazard Identified	Pre-controls			Mitigation/Controls	Post Controls		
	Impact	Frequency / Likelihood	Rating		Impact	Frequency / Likelihood	Rating
Emergency Situations - Extreme Weather Events (water/wind) - Fire (Station) - Fire (Car)	5	3	15	Fire warden to clear zones Evacuation training to all staff Fire Extinguisher training Wind speed monitor programmed to decrease car speed to creep and stop at the next station if activated above 117kph winds	5	1	5
Earthquake	5	3	15	Earthquake sensor in control room Earthquake SOP Staff Training	4	1	4
Slipping & Tripping Stairs Uneven surfaces Wet floors	3.5	4	14	Sturdy footwear No rushing / running Mopping up wet floors "Slippery When Wet" signs available at both Terminals Non-slip coatings on station platforms	3	2	6
Medical Event	4	3	12	All staff trained in first aid. First aid kits in Cars, Driver's room, Control room and Winding room. Portable kit in the Control Room for when working on the Track. These are checked monthly. Defibrillator in each car and ticket kiosk. Contact numbers of emergency services and local medical assistance posted on the safety notice board in Drivers' Room and Ticket Booth. A radio system operates between the two cars, Ticket Booth, Control Room, and Winding Room.	3	3	9
Confrontational Situations Public confrontation - physical & verbal threats or abuse.	3	4	12	De escalation training United company stance that we do not tolerate abuse in the workplace Support to front line staff by ability to call on supervisors/managers for back up in confrontational situations	3	2	6
Cable Car breakdown mid track	3	4	12	All employees attend evacuation practices conducted annually Torches and ladder carried on each car to assist with evacuations Preventative maintenance of Cable Car to lessen likelihood of breakdowns.	3	2	6
General Public: On station platforms	4	3	12	Signs and markings on platforms to indicate risk to passengers Fences in locations away from stations where there is high risk (e.g. Clifton car park) Emergency stop buttons at all stations and in the ticket booth. Drivers trained to be observant, look out for potential issues. Cable Car reduces speed as it approaches stations	4	1	4

8. APPENDIX TWO – FINANCIAL INFORMATION

Wellington Cable Car Limited – Business Plan
 Statement of Comprehensive Income for the years ending 30 June 2022, 2023 and 2024

	2022 - Qtr 1 \$000	2022 - Qtr 2 \$000	2022 - Qtr 3 \$000	2022 - Qtr 4 \$000	2022 - Total \$000	2023 \$000	2024 \$000
Cable Car Income	364	545	521	408	1,839	2,587	3,400
Cable Car Operations	88	93	89	84	353	371	391
Cable Car Maintenance	118	109	45	23	296	172	249
Cable Car Wages	298	300	304	298	1,201	1,283	1,371
Depreciation	75	75	75	75	300	300	300
Cable Car Expenses Subtotal	579	578	513	480	2,150	2,126	2,311
Cable Car Operating Surplus / (Loss)	(215)	(32)	8	(72)	(312)	460	1,089
EXTERNAL ACTIVITIES							
Sundry External Income	0	0	0	0	0	0	0
External Activities Operating Surplus / (Loss)	0	0	0	0	0	0	0
Administration Expenses	265	266	270	267	1,069	1,147	1,226
External Activities Division Surplus / (Loss)	(490)	(298)	(263)	(339)	(1,390)	(686)	(137)
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) BEFORE TAX	(490)	(298)	(263)	(339)	(1,390)	(686)	(137)
Income Tax Expense/Benefit					0	0	0
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) AFTER TAX	(490)	(298)	(263)	(339)	(1,390)	(686)	(137)
The Total Surplus / (Loss) After Tax Consists of:							
Total Income	364	545	521	408	1,839	2,587	3,400
Total Expenditure	845	843	784	747	3,219	3,273	3,537
	(480)	(298)	(263)	(339)	(1,380)	(686)	(137)

Wellington Cable Car Limited - Business Plan

Statement of Movements in Equity for the years ending 30 June 2022, 2023 and 2024

	Notes	2022 \$000	2023 \$000	2024 \$000
Opening Equity - 1 July		9,117	7,736	7,050
Net Surplus/(loss) for the period		(1,380)	(686)	(137)
Total Recognised Revenues and Expenses		<u>(1,380)</u>	<u>(686)</u>	<u>(137)</u>
Distribution to Owners		-	-	-
Closing Balance 30 June		<u>7,736</u>	<u>7,050</u>	<u>6,913</u>

Represented by:

		2022 \$000	2023 \$000	2024 \$000
CURRENT ASSETS				
Bank	1	1,603	1,239	1,413
Inventory		294	294	294
Accounts Receivable		29	31	47
		<u>1,926</u>	<u>1,564</u>	<u>1,754</u>
FIXED ASSETS	2	<u>7,010</u>	<u>6,710</u>	<u>6,410</u>
TOTAL ASSETS		<u>8,936</u>	<u>8,274</u>	<u>8,164</u>
CURRENT LIABILITIES				
Accounts Payable/Accruals		296	311	327
Employee benefit liabilities and provisions		200	210	221
Taxes payable		-	-	-
		<u>496</u>	<u>521</u>	<u>548</u>

Wellington Cable Car Limited - Business Plan

Statement of Financial Position for the years ending 30 June 2022, 2023 and 2024

NON CURRENT LIABILITIES	Notes			
Deferred Tax Liability		<u>704</u>	<u>704</u>	<u>704</u>
		<u>704</u>	<u>704</u>	<u>704</u>
NET ASSETS		<u>7,736</u>	<u>7,050</u>	<u>6,913</u>
SHAREHOLDERS' FUNDS				
Represented by:				
Retained Earnings	3	<u>7,736</u>	<u>7,050</u>	<u>6,913</u>
		<u>7,736</u>	<u>7,050</u>	<u>6,913</u>

Notes and Assumptions:

- 1 Bank balance has been taken as the balancing figure and includes any short term deposits and the Cable Car self
- 2 The 2022 balance sheet is the forecast position as at the time of completing this Statement of
- 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 2022, 2023, 2024**

	Year Ended 30 June 2022	Year Ended 30 June 2023	Year Ended 30 June 2024
Cash flows from operating activities			
<u>Cash was received from:</u>			
Operating receipts	1,839	2,587	3,400
Interest received	-	-	-
<u>Cash was disbursed to:</u>			
Payments to suppliers and employees	(2,923)	(2,950)	(3,226)
Net cash inflow / (outflow) from operating activities	(1,085)	(363)	174
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	-	-	-
Net cash inflow / (outflow) from investing activities	-	-	-
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	-	-	-
Net cash inflow/(outflow) from financing activities	-	-	-
Net Increase/(decrease) in Cash held	(1,085)	(363)	174
Opening Cash Balance	2,688	1,603	1,239
Closing Cash Balance	1,603	1,239	1,413
Closing cash balance per GL	1,603	1,239	1,413

Wellington Cable Car Limited Statement of Intent FY2021/22

Presented to
Wellington City Council
in line with the Local Government Act (2002)





experience
Wellington
wellington museums trust

EXPERIENCE WELLINGTON
2021-22 STATEMENT OF INTENT

Presented to Wellington City Council pursuant to
Section 64 of the Local Government Act 2002

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This Statement of Intent (SOI) reflects the relationship and interest that the Wellington City Council (Council) has in Experience Wellington as a Council Controlled Organisation and our contribution to Council's vision for the future of Wellington. It responds to Council's Letter of Expectations (LOE) of 22 December 2020 (pages 32-34). On pages 8-12 we outline our specific response to the LOE and how each expectation directly relates to one of our four strategic pou. Council owns the heritage buildings that house five of our visitor experiences and will provide around 72% (\$10.249m) of our 2021-22 budgeted revenue, with the other 28% (\$3.996m) coming from cultural grants, fundraising and trading revenues.

To achieve the best results for Wellington we will continue to work with Council and other Council Controlled Organisations (CCOs), other visitor experiences, tertiary education partners and relevant national organisations.

We have a contract with **Creative New Zealand** that supports the delivery of the Capital E National Theatre for Children and the biennial Capital E National Arts Festival for Children. The learning experiences we offer are supported through **Ministry of Education Learning Experiences Outside the Classroom (LEOTC)** contracts. We also regularly receive support from the **City Gallery Wellington Foundation** for City Gallery's programme. The **Carter Observatory Trust** supports our fundraising activities for Space Place.

INTRODUCTION | He Whakatakinga

On behalf of the Board of Trustees I am pleased to present Experience Wellington's Statement of Intent which outlines our strategic direction and operating intentions for the 2021-22 financial year and Forecast Financial Statements for the three years to 30 June 2024. As incoming Board Chair, I am excited about the opportunities for our experiences - Capital E, Space Place, City Gallery Wellington, Nairn Street Cottage, Wellington Museum and the Cable Car Museum to enrich lives and deliver a programme that boosts Wellington's economic, cultural and social success.

When COVID-19 first hit our shores we met the challenges of the pandemic: delivering for audiences in new and different ways. Many of the innovations we adopted, including an increased digital presence, are woven throughout our revised Strategic Plan which sets our direction for the next three years. The four strategic pou of the plan: Wheako Pōneke (enriching lives through our experiences); Ma te huruhuru te manu ka rere (embracing Te Ao Māori); Tukua kia rere (our organisation flourishes) and Mahi Tahi (working together as one team), underpin the vibrant programme of projects, events and activations we will host in 2021-22.

With international tourists unlikely to return in the short to medium term, our focus is on strengthening Wellington: sparking curiosity and connecting communities, people and ideas. This includes the extraordinary upcoming exhibition Hilma af Klint: The Secret Paintings opening in December 2021. At a time when borders are closed, we will bring an international show which has sold out in New York and London to Wellington: its only stop in Aotearoa. Hilma will be a driver of domestic tourism and bolster the capital's reputation as a leader in arts experiences.

We also have an exciting line-up supporting the work of local arts practitioners and businesses: helping Wellington's creative community to thrive. This includes initiatives like Creative Collider, a Capital-E led partnership programme which works with art practitioners to build skills and confidence in developing youth-focused content.

Museums Wellington is building upon a vibrant programme that will engage, entertain and educate audiences including 'Wellington on a Good Day' a new exhibition that celebrates what it means to be a Wellingtonian through a creative lens. Another exciting collaboration is our first home-grown planetarium show, The Navigators which will launch at Space Place. Talented local experts, master navigators, artists, film-makers and musicians, have been brought together by Experience Wellington to tell the story of navigation to Aotearoa in a family-friendly immersive show.

In partnership with Wellington City Council, we will continue planning for strengthening The Bond Store. This project presents a unique opportunity to enhance the museum experience by celebrating and amplifying the voices and stories of our diverse communities.

We will further develop our Māori strategy and capability to ensure our experiences more deeply connect audiences with Te Ao Māori. Environmental sustainability will be an ongoing focus through events such as the Great Big Waterfront Clean-Up, coupled with content that sparks public interest in preserving our planet and awareness of climate change.

While we are excited about our future and the opportunities to showcase Wellington's unique creative talent, there are challenges in the coming year. Our trading revenue will take longer to normalise due to the continued absence of international visitors. There is also a downturn in larger venue hire bookings and decrease in overall fundraising revenue. Core costs for insurance, cleaning and operating continue to grow. We will therefore continue to refine our operating model and improve systems & processes to streamline our business - targeting a return to a break-even position without Council CCO Resilience Fund support in 2022-23.

Working together to deliver extraordinary experiences that strengthen Wellington remains our focus, and we will do so smartly and prudently. We thank Wellington City Council for their on-going support and will prioritise collaborations with Council, our CCO whānau, and the city's creative ecosystem that use Experience Wellington's resources to nurture the social, cultural, environmental and economic wellbeing of Wellingtonians - more important than ever in our current environment*.

Jane Wrightson
Chair, Experience Wellington

[*see operating environment for more details](#)

Experience Wellington Statement of Intent 2021-22

pg.3

OUR INTENT IN 2021-22 | Tā Mātou Whāinga ki 2021-22

OUR FOCUS:

Our [Strategic Plan](#) was revised in the wake of Covid-19 to include:

- A three-year, rather than a 10-year plan to facilitate flexibility in a COVID-19-affected operating environment.
- Alignment with Council's 'Three Strategies' project, with our Chief Executive being a member of this steering group.
- A focus on measurable changes to ways of working.
- Emphasis on a whole-of-organisation, whole-of-customer-journey approach.
- Clear through-lines from the strategic plan to the work of all our teams.
- Reinforcing a positive and mutually supportive culture.

Our mahi is aligned to Council's vision, 2040 Smart Capital, the Four Wellbeings, and the Three Strategies Project.

WE ARE LOOKING FORWARD TO:

- Continued conversations and collaboration with Council, our CCO whānau, and the city's creative ecosystem: leveraging positive relationships, and providing innovative ways to attract visitors to our city.
- Resolving issues around the strengthening and redevelopment of Wellington Museum Te Waka Huia o Ngā Taonga Tuku Iho.
- Working with Council's Te Ngākau Civic Square Planning Team to return Capital E Nōku Te Ao to Te Ngākau Civic Square, potentially as part of the Te Matapihi Central Library Project, alongside City Gallery Wellington Te Whare Toi.
- Attracting art lovers to Wellington for our third high profile international art exhibition at City Gallery Wellington Te Whare Toi from December 2021.
- Working closely with WellingtonNZ to revitalise the city we love.
- Building our cultural competency including the use of Te Reo and Tikanga Māori.
- Implementing customer relationship management (CRM) systems to streamline our engagement with supporters and funders.
- Continuing to review and streamline our business processes to achieve the best possible financial outcome.
- Accessing third party funding to leverage and fund Council's assets for the benefit of all Wellingtonians.

Please refer to the section on Council's Expectations on [pages 9-12](#) for more information on our plans.



Our key programmes in 2021-22

HILMA AF KLINT: THE SECRET PAINTINGS

This is the third in a series of high value exhibitions that bring the best of international art to New Zealand audiences. Exhibitions of this kind serve to affirm Wellington's status as the creative capital, add to the quality of life for the city's residents, and make a valuable economic contribution. The discovery of visionary Swedish artist Hilma af Klint (1862-1944) has turned art history on its head by establishing a new, and female, pioneer of twentieth-century abstract art. Unprecedented in scale and ambition, and hidden from view for decades, these paintings embody arts potential to inspire, transport and confront viewers. Hosting this exhibition is a coup for Wellington and will provide visitors from across the country with a once-in-a-lifetime opportunity to see af Klint's work here.

THE NAVIGATORS

Space Place's first full production planetarium show will launch during Matariki 2021. Having won support from the government's TUIA 250 Encounters fund, Space Place presents Moko's journey as she learns how to navigate the mighty Pacific Oceans. We have brought together a Wellington collective of film makers, writers, actors, animators and musicians to bring the story of Moko to life. We travel from today, where Moko is floating in the sea learning the names of the stars of Aotearoa into the vast oceans of the Pacific aboard a waka houroa. Before our eyes she travels to the time of Lieutenant James Cook and is aboard the Endeavour, seeing a sextant in use. Through stop motion filming and the latest in digital technology Moko's story is one of wonder and beauty, as she moves through centuries to tell us how Aotearoa was sought and found by her tipuna and pakeha explorers.

LEAVING HOME

In the hopes that sufficient funding is secured to strengthen the Wellington Museum, we will continue to actively engage with our communities as the construction work is carried out. Though the building itself will be closed, the engagement and offerings of the Museum will remain open. *Leaving Home* will be a time of community outreach for Wellington Museum, to have a presence in, and impact on, the cultural life of the city representing our city's diverse voices and perspectives.

MATURAU (WORKING TITLE)

Opening free in April 2022, *Maturau* (working title), curated by Wellington-based Māori artist, educator, curator, and writer Shannon Te Ao, will bring together new and existing artworks that examine what it means to be an artist working within Te Ao Māori at a time of COVID-19. A time when the world, and world views are shrinking and changing exponentially. *Maturau* asks what role Māori art and artists can play in our new reality.



CREATIVE COLLIDER

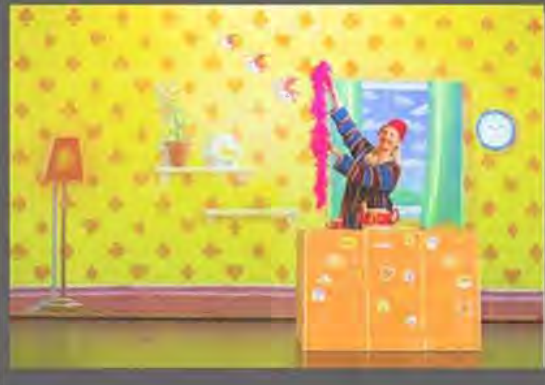
At Experience Wellington we recognise how developing programmes for children and young people requires specialist skills and expertise. Often, this audience can be overlooked, or the appropriate skills under-valued. Creative Collider is our response to this. Bringing together Wellington's creative sector with experts, mentors and tamariki we will host a residency to help artists and performers to shape their ideas for new work for children, leveraging the expertise of Capital E. Some emerging concepts will be seed-funded for testing further. Down the track some may be fully commissioned into our National Arts Festival for Children or beyond. Together we will collaborate, develop and test new and exciting works for children, and provide artists with creative opportunities to develop and showcase their mahi, with children and young people being part of the conversation.

WELLINGTON ON A GOOD DAY (WORKING TITLE)

Driven by the opportunity of the return of significant objects on loan, Experience Wellington will refresh the exhibitions on the ground floor of Wellington Museum. A humorous and wide-ranging look at Wellington through the saying, 'You can't beat Wellington on a good day', it takes the opportunity to showcase the creative community of Wellington, whether in the arts or the wider community.

NATIONAL THEATRE FOR CHILDREN

Every year, the National Theatre for Children introduces tens of thousands of tamariki and rangatahi to their first experiences of performing arts, in way that speaks to them and their place in the world. In 2021-22, the company will be touring a favourite show: *Seasons*. This new iteration of a much-loved show will bring together an innovative approach to digital puppetry and soundscapes to bring the experience to life for a new generation of youngsters. For older children, *Story Studio Live*, a work that has been developed with young people to place children's voices at its heart will visit schools across the country. The show will explore through young people's eyes the way we and our planet interconnect, and how delicate that relationship truly is.



OUR PERFORMANCE is measured by our Key Result Indicators (KRI).

In 2021-22 we expect to:

- Raise \$3.996m (28%) of our operating costs from trading initiatives and fundraising.
- Receive a 90% approval rating from our visitors for the quality of their experience at our institutions.
- Expand our reach via our websites and social media channels to engage with over 200,000 visitors.
- Attract over 480,000 on-site visitors, of which, around 38,000 will be children and young people visiting for a learning experience.

OUR FINANCIAL PERFORMANCE Due to the impacts from COVID-19 and the expectation that international visitors will be significantly restricted for 2021-22, we are forecasting a break-even budget on the basis that \$0.917m is received from the Council's CCO Covid-19 Resilience Fund. The 2021-22 Budget is based on the following assumptions:

- Experience Wellington will receive \$10.561m from Council (\$7.875m in operating grants, \$0.917m from the CCO Covid-19 Resilience Fund, and \$1.769m accommodation rental subsidy) in 2021-22, for the operation of Experience Wellington inclusive of Space Place Te Ara a Whānui Ki Te Rangi. The \$0.184m annual cash underwrite for Space Place is additional to the operating grant and accommodation rental subsidy.
- There is a modest inflation-indexed increase to the prior financial year's operating grant, noting any new investment that does not align closely with Council's priorities is unlikely to be supported.
- Our 2021/22 visitor target is 480,420 people, representing an 84% increase on our 2020/21 forecast.
- Cruise ship business does not resume until Q3 2023.
- The Trans-Tasman air travel bubble mooted from Q1 will have a minimal effect on our visitor numbers.
- International borders are unlikely to open until Q3 2021-22 for restricted travel. Therefore, we anticipate significantly reduced non-cruise ship international visitors.
- Domestic visitors are expected to return to BAU levels.
- Regional education groups and national school groups are expected to return to BAU levels.
- Experience Wellington expect to generate \$3.996m non-Council revenue in 2021-22, representing a 14% increase on our 2020-21 forecast of \$3.511m, underscored by the Navigators Project, Hilma af Klint, and a more certain operating environment for domestic visitation. Retail offerings have been modified for the domestic market and are predicted to achieve \$0.621m.
- \$0.283m is realised from venue hire, based on a downturn in larger bookings.
- We achieve \$0.312m from sponsorship, \$0.258m via donations and \$1.328m in grant revenue. We expect to raise a further \$0.440m from general cultural and community grants. We expect 2021-22 fundraising (\$1.897m) to exceed 2020-21 (\$1.660m) by 14%, reflecting an improved operating environment, nil additional lockdowns, the Navigators and Hilma af Klint projects.
- Scheduling funding per the Creative NZ contract (\$0.533m) and the LEOTC contracts with the Ministry of Education (\$0.336m) will continue in 2021-22.
- Reduced access to, and delays receiving, international content.

The Forecast Financial Statements are provided in Appendix 1 (pages 24-27). Accounting policies are provided in Appendix 2 (pages 28-32).



COUNCIL'S EXPECTATIONS | He Kawatau ō Te Kaunihera

Our response to Council's 2021-22 Letter of Expectation is drawn from our revised **2021-24 Strategic Plan** and reflects alignment with Council's goals for Wellington as being a people-centred, connected, dynamic, and sustainable central city. Our ability to respond to Council's expectations depends on our financial position.

Council's Expectations

Experience Wellington's Response

Local Government's Four Wellbeings	Our Alignment through our 2021-24 Strategic Plan
<p>Cultural Wellbeing</p> <p><i>An innovative, inclusive quirky city.</i></p> <p>Wellington is a vibrant, creative city with the energy and opportunity to collaborate, explore identities and openly express, preserve and enjoy their arts, culture and heritage.</p>	<p>Experience Wellington is a mainstay of the capital's arts, culture and heritage landscape. We are passionate about vibrant programmes that strengthen the city we love; reflecting and connecting our citizens. Our Enriching Lives pou has a strong audience focus, with our visitors at the heart of everything we do. We will continue to connect with communities onsite, through programmes such as Gallery Seniors and Gallery Babes at City Gallery Wellington, online and through our social media channels, and via outreach.</p> <p>Listening to what our audiences want and keeping our spaces current and exciting gives our visitors a reason to return. In 2021 we will be opening Te Wheke at Wellington Museum, a dynamic community space for creative enjoyment and participation for all ages. PlayHQ at Capital E develops themed safe learning spaces for our youngest tamariki, where the installation changes regularly. And of course, the exhibitions at City Gallery Wellington are constantly showcasing new talent.</p> <p>In response to the current environment, we will continue to actively support artists whose livelihoods have been affected by Covid-19.</p>
<p>Social Wellbeing</p> <p><i>A people friendly, compact, and accessible capital city.</i></p> <p>An inclusive, liveable and resilient city where people, mana whenua, Māori and communities can learn, are connected, well housed, safe and healthy.</p>	<p>Council's social wellbeing strongly aligns with our purpose: Working together, with and for Wellington, to create remarkable experiences that generate vitality: strengthening the city we love.</p> <p>We are active participants in the Council's consultations on the future of Te Ngākau Civic Square and Te Matapihi Central Library and use our ability to leverage funding to enhance and re-imagine Council's assets, such as Wellington Museum.</p> <p>Our Access & Inclusion Committee leads our organisation in continuously improving ways we can connect with new audiences to ensure that all visitors feel welcomed and accepted at our sites, without barriers to accessibility. While our Health, Safety & Wellbeing Committee ensures we are able to provide safe social spaces where audiences can continue to socially distance, while enjoying a sense of normality in public spaces.</p> <p>A strong part of our social wellbeing is the learning offerings we provide to tamariki and rangatahi, through works like the National Theatre for Children: Seasons & Story Studio 2021. School holiday programmes are also a regular feature at Wellington Museum and City Gallery Wellington to engage our youngest audiences, while providing parents with something new and exciting to keep their children entertained.</p> <p>Our Embracing Te Ao Māori pou aligns with Council's many initiatives to acknowledge Te Tiriti o Waitangi including Te Tauihu Te Reo Māori Policy. We strive to have a Māori dimension in everything we do, and we support Council's aspiration to be a Te Reo Māori city by 2040.</p>

<p>Economic Wellbeing</p> <p><i>A dynamic and sustainable economy.</i></p> <p>The city is attracting and developing creative talent to enterprises across the city, creating jobs through innovation and growth while ensuring what we make is being reused.</p>	<p>Under our pou, Experience Wellington Flourishes we strive for business sustainability, effective operating systems, financial viability, and nurturing stakeholder relationships.</p> <p>We will work alongside Council and WellingtonNZ to support our city as it rebounds from the effects of COVID-19. As active supporters of the artists and businesses that make up our ecosystem, we will continue to leverage funding and profile, attracting domestic visitors to ensure the city's reputation as the Arts Capital of New Zealand is retained.</p> <p>Part of our strategy to attract new visitors to Wellington is the high-value international art exhibition Hilma af Klint, which will draw audiences from all over Aotearoa. We will be partnering with Wellington NZ, the International Arts Festival, and local suppliers across the city to promote this unique event.</p>
<p>Environmental Wellbeing</p> <p><i>A sustainable, natural Eco city.</i></p> <p>A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is adapting to climate change – for now and future generations.</p>	<p>Our Experience Wellington Flourishes pou, not only covers business sustainability but also environmental sustainability. The impact we have on the environment around us is considered as part of our programme plan for every show or exhibition we create. Our Environmental Sustainability Committee lead and encourage initiatives for staff including environmental workshops, competitions and events, and actively support the reduction of waste and availability of recycling.</p> <p>We welcome the opportunity to work with Council's City Resilience and Sustainability Team, leveraging ideas and opportunities as to how together we can become more sustainable workplaces.</p>

Council's Expectations

Experience Wellington's Response

Letter of Expectation	Our alignment through the experiences we provide
<p>Council is working on new strategies in the areas of economic development, arts and culture, and children and young people.</p> <p><i>Council plans to engage with the Trust in the development of these new strategies and the Trust will be part of the implementation of any new strategic outcomes.</i></p>	<p>We welcome Council's new strategies in the areas of economic development, arts and culture, and children and young people. Our team have been involved in the development and consultation regarding these strategies, with our Chief Executive sitting on the steering committee. We will align our work with the three new guiding documents.</p>
<p>Plans for fundraising for the Bond Store strengthening and redevelopment project, on the basis that this project receives funding through Council's 2021-31 Long Term Plan.</p> <p><i>Discuss plans for the Wellington Museum during the expected building closure for the construction works.</i></p>	<p>A proposal has been submitted to Council for consideration in the Long-Term Plan process to complete the earthquake strengthening and redevelopment of the visitor experience at Wellington Museum, giving new life to Council's category one heritage building, and ensuring its landmark status on the city's world-renowned waterfront.</p> <p>An integrated fundraising plan for exhibition content is underway. Our approach will include activity across fundraising revenue streams, including targeting the New Zealand Lottery Grants Board and other grant-giving bodies, as well as approaches to corporates and individuals.</p> <p>While strengthening is underway, the Wellington Museum team will launch <i>Leaving Home</i> - while the building is closed the Museum won't be. Wellington Museum will 'leave home' for the period of the building works while still 'sharing the stories and objects of Wellington' and being Wellington's Museum. The planning includes delivering more activities across our other Experience Wellington sites as well as outreach, and pop ups across the city through partnerships with other events and sites across the Wellington City Council network.</p>
<p>A focus on robust financial management and delivering services in a financially sustainable and affordable manner both for Council and for the Trust.</p>	<p>We are grateful for an inflation indexed increase on the current year's operating grant. We are aware that any new investment that does not align closely with Council's priorities is unlikely to be supported and appreciate the financial challenges that Council is facing due to COVID-19 revenue losses and essential investment across the city.</p> <p>In 2021-22 we will complete the implementation of our business systems projects: rolling out integrated CRM, retail and bookings software. Also, a new fundraising strategy will be launched, our procurement processes will be reviewed, and we will continue our review of systems and processes to ensure the most effective use of resources.</p>
<p>Improving accessibility to Council's activities and services will continue to be an immediate focus for the Council and it is expected that the Trust will continue to support this by planning to improve accessibility and its facilities where possible</p>	<p>Our Accessibility and Inclusion Committee lead our commitment to the principle that access is a human right not a privilege or favour, and that an environment of accessibility and inclusion has universal benefit.</p> <p>Experience Wellington has a kaupapa that enables and facilitates access and inclusion for visitors and staff. Initiatives include multi-language brochures, sign language introductions at each venue and a commitment to ensure that</p>

	<p>facilities, exhibitions, and public programmes are welcoming and accessible, accommodating all abilities.</p> <p>Being accessible is a long-term commitment and an on-going process of improvement. We regularly undertake audits to improve facilities for staff and visitors. We are grateful to Council as buildings owner for its support.</p> <p>As part of expanding our reach, we also continue to grow and develop our digital content, including new online offerings for schools.</p> <p>Working in consultation with Blind Citizens Aotearoa, we have developed and completed a pilot programme for a City Gallery tour designed for the low vision community. If successfully received, the intention is to offer a low vision tour of each season of shows exhibited at City Gallery Wellington.</p> <p>Work is underway with Altogether Autism to provide an appropriate introduction to City Gallery for the autistic community and carers. This includes a gallery map available at our front desk providing the locations of high sensory areas.</p> <p>Our outreach to these communities ensures we are flexible and inclusive, and creating enriching connections.</p>
<p>Play an important role in supporting Council's Te Atakura First to Zero Strategy to support Wellington and Council's carbon reduction goal.</p> <p><i>This will include working with Council on First to Zero waste minimisation plans and strategies.</i></p>	<p>We are pleased to have achieved Toitū Carbon Zero accreditation under Wellington City Council's programme and will continue to work with Council to meet the goals outlined in <i>Te Atakura, the First to Zero</i> Policy and look forward to working with Council on First to Zero waste minimisation plans and strategies.</p> <p>A key contributor is the reduction in electricity use through Council & BECA's review of climate control systems at Wellington Museum and City Gallery Wellington. This project will continue at other Experience Wellington sites in 2021-22.</p> <p>We are continuously looking at ways to reduce waste and increase recycling across the organisation. Initiatives like these are supported by our Environmental Sustainability Committee; passionate staff who promote environmental best-practice across Experience Wellington, encouraging staff to make sustainable choices.</p>
<p>Challenge us with ideas for the future of the Trust</p>	<p>Experience Wellington will continue to play a significant role in the city's eco-system: driving events, adding vibrance, attracting talent and contributing to the 'Wellington story'.</p>

Governance

As a leading governance group with the health, safety and wellbeing of our people of the utmost importance, the Board of Trustees is confident that it will comply with Council's expectations regarding legislative compliance including 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. We have adopted rigorous systems and processes to ensure 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 Board maintains a high degree of awareness of the legislation related to its activities. This includes a Health and Safety Management Framework that identifies and prioritises the management of critical areas of risk. This is regularly reviewed, monitored, and verified for effectiveness. Where Council and the Trust have shared responsibilities and overlapping duties, then all parties ensure there is effective consultation and co-operation to eliminate or minimise the risks and keep all those in the vicinity of our workplaces safe.

As requested in Council's Letter of Expectation, a skills matrix in relation to board composition has been created. A copy of this will be provided to Council by 31 March 2021 and updated annually thereafter.

The Sections on the Board's Approach to Governance ([page 20](#)) and Management, Organisational Health, Capability and Risk Assessment ([pages 22-23](#)) cover these expectations in more detail.

OPERATING ENVIRONMENT UPDATE | Te Taiaro Laitani

Forecasting performance amid a pandemic is challenging with a number of unknowns impacting our operating environment. Overall a significant reduction in international visitation and associated visitor spend is predicted. In planning for events and programmes, we continue to factor in the possibility of changing advice on public health measures, such as social distancing guidelines. Following consultation with Wellington NZ, we note the following as part of our visitor forecasts:

- Our domestic and education visitors to return to BAU levels from July 2021 (Q1).
- Cruise ship visitors are not expected to return until summer of 2022-23, with small ships likely to return first.
- The impact of a Trans-Tasman bubble opening at the beginning of Q1 (July 2021) will be minimal. The initial influx of Australian visitors is anticipated to be travelling for family or business purposes. International borders may open toward the end of 2021, again with initial numbers of tourists to Wellington being small. We have therefore modelled 20% of typical non-cruise ship international tourists returning across Q3 & Q4.

Resurgence of COVID-19, delays to vaccine rollout, border opening, or the international vaccine passport system could all affect the expectations underpinning this Statement of Intent. We remain alert to the possibility of further lockdowns, so our digital offerings are a significant aspect of our delivery for 2021-22 and beyond. The fundraising landscape is also uncertain. COVID-19 has sparked a number of novel funding opportunities - however, the initial trend of untagged recovery funds has shifted to project or innovation-based ones which does not address our core operating challenges. We also acknowledge the impact that this changed operating environment has had on many artists and businesses. As a leader in Wellington's arts, culture and heritage sector, we will take a 'Wellington first' approach to our decision-making in order to maximise our contribution to the capital's creative ecosystem.

In spite of this, the year ahead presents many opportunities for Experience Wellington to work with partners and stakeholders to influence the future of the city as seminal projects start to take shape:

- We are committed to ensuring that Te Ngākau Civic Square reclaims its status as the heart of the city and will continue to be involved in its master-planning. However, we note that construction work will be a feature of Te Ngākau Civic Square for the next five years, which brings ongoing wayfinding and operational challenges to City Gallery. Our goal remains to deliver a vibrant gallery programme that encourages people to visit and enlivens the square, and we will maintain a dialogue with Council about actions to ameliorate this.
- Council's visioning process for a reimagined Te Matapihi Central Library including a possible permanent home for Capital E Nōku Te Ao is a collaborative approach that draws together Experience Wellington and Council expertise. This project presents a wealth of possibilities for Wellington's youngest citizens with potential to deliver a truly innovative approach. The path we take together will guide Experience Wellington's offering for children and young people until 2025 when Te Matapihi opens, as we pilot new ways of working.
- With the possible closure of Wellington Museum Te Waka Huia o Ngā Taonga Tuku Iho for earthquake strengthening, the two-year-long 'Leaving Home' project will ensure that there is still access to Wellington's heritage collections and stories while the building is closed. To prepare for this, during 2021-22 we will build a network of partners to help us deliver the Museum's activities via outreach and pop ups across the city: a unique, community-focussed approach to our work that will strengthen our collaborative base. However, closing the Museum will affect our revenue-generating capability for the duration of the construction work.

We welcome opportunities to engage with Council and our CCO colleagues to support this mahi and reflect Council's new Aho Tini, economic development & children & young people's strategies. With Council's support, we remain committed to providing remarkable experiences of contemporary art, history, and science for our visitors to explore our Wellington stories and the southern skies, and to bring out their creativity and spark learning.

PERFORMANCE MEASUREMENT | Paearu Mahi

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 impact Experience Wellington makes on Wellington's prosperity and liveability. Any changes will be made in consultation with Council.

The impacts of COVID-19 on visitation and our financial position are reflected in the following performance measures.

Note: The necessary earthquake strengthening and upgrade of Wellington Museum would mean a period of closure of two years which would affect visitation results and revenue generation. Impacts from the proposed closure are not reflected in the numbers presented below.

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	2019-20 Actual	2020-21 SOI	2021-22	2022-23	2023-24
City Gallery Wellington	89%	95%	95%	95%	95%
Wellington Museum	91%	95%	95%	95%	95%
Capital E	75%	90%	90%	90%	90%
Cable Car Museum	93%	95%	95%	95%	95%
Space Place	89%	92%	92%	92%	92%
Nairn Street Cottage	50%	54%	54%	54%	54%

Our Visitors

Key Result Indicators

Physical Visitation: The total number of on-site 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. Due to border closures we are expecting negligible international visitors for the 2021-22 year.

Visitor Numbers	2019-20 Actual	2020-21 SOI	2021-22	Q1 Jul-Sep	Q2 Oct-Dec	Q3 Jan-Mar	Q4 Apr-Jun	2022-23	2023-24
City Gallery Wellington	111,365	56,200	150,250	25,000	34,750	67,500	23,000	112,700	114,900
Wellington Museum	100,165	56,000	100,000	23,000	27,000	30,000	20,000	110,000	120,000
Capital E	86,821	45,500	59,770	17,400	16,000	11,370	15,000	100,000	70,000
Cable Car Museum	192,915	79,000	125,000	25,000	35,000	45,000	20,000	152,000	175,000
Space Place	43,449	24,000	44,000	11,000	10,500	12,000	10,500	46,500	50,000
Nairn Street Cottage	706	1,000	1,400	0	400	600	400	1,600	1,800
Experience Wellington Total	535,421	261,700	480,420	101,400	123,650	166,470	88,900	522,800	531,700

Adjustments to visitation reflect the impact of Covid-19 - rescheduling the 3rd high value art exhibition and construction works on Te Ngākau Civic Square. The 10th Capital E National Arts Festival for Children will take place in 2023 deferred from 2021.

Virtual Visitation: The total number of unique user visits to institutional web/mobile sites.

Virtual Visitor Numbers	2019-20 Actual	2020-21 SOI	2021-22 SOI	2022-23	2023-24
City Gallery Wellington	86,579	78,000	90,000	80,800	81,610
Museums Wellington	110,444	110,000	100,000	101,000	102,010
Capital E	34,990	35,000	38,000	38,380	38,765
Experience Wellington Total	232,013	223,000	218,000	220,180	222,385

Social Media Profile: A snapshot of Facebook friends, Instagram and Twitter followers.

Social Media Numbers	2019-20 Actual	2020-21 SOI	2021-22	2022-23	2023-24
City Gallery Wellington	41,078	41,500	45,000	45,430	45,865
Museums Wellington	14,387	13,500	15,120	15,270	15,425
Capital E	9,123	9,500	10,000	10,100	10,200
Space Place	10,283	10,800	10,910	11,020	11,130
Experience Wellington Total	74,871	75,300	79,030	79,820	80,620

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	2019-20 Actual	2020-21 SOI	2021-22	2022-23	2023-24
City Gallery Wellington	85%	88%	88%	88%	88%
Wellington Museum	92%	90%	90%	90%	90%
Capital E	93%	90%	90%	90%	90%
Cable Car Museum	78%	80%	80%	80%	80%
Space Place	91%	90%	90%	90%	90%
Nairn Street Cottage	98%	90%	90%	90%	90%

Children & Young People Visiting for a Learning Experience: The number of students (aged 0-18 years) participating in a learning experience organised by their education provider. After a disruptive 2020-21 year, we are now expecting school visitation to return to "normal" from Q1 of 2021.

Learning Experience Visitors	2019-20 Actual	2020-21 SOI	2021-22	2022-23	2023-24
City Gallery Wellington	2,410	4,500	4,500	4,500	4,500
Museums Wellington	3,136	3,500	7,000	7,000	7,000
Capital E	31,995	10,000	23,400	36,200	23,400
Space Place	4,585	3,000	3,500	3,500	3,500
Experience Wellington Total	42,126	21,000	38,400	51,200	38,400

Figures include curriculum aligned learning experiences which are supported by the Ministry of Education through its LEOTC programme and self-directed and outreach learning experiences. The 10th Capital E National Arts Festival for Children will take place in 2023 deferred from 2021 owing to COVID-19 increasing visitation in that year. Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

Our Sustainability, Key Result Indicators

Financial Performance: We are initially forecasting a deficit budget for 2021-22 of \$917k due to the impact of Covid-19 and will be seeking support from WCC to cover this shortfall.

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 MoE for LEOTC). Retail sales and venue hire are significantly reduced in line with forecast visitation.

Trading (\$'000)	2019-20 Actual \$000	2020-21 SOI \$000	2021-22 \$000	2022-23 \$000	2023-24 \$000
City Gallery Wellington	235	99	740	120	219
Museums Wellington	808	144	536	398	754
Capital E	297	127	138	338	277
Space Place	469	136	190	300	438
Sub Total	1,808	506	1904	1156	1688
Sub-letting, Interest & Other	932	30	30	30	30
Experience Wellington Total	2,741	536	1934	1186	1718
Fundraising (\$'000)	2019-20 Actual \$000	2020-21 SOI \$000	2021-22 \$000	2022-23 \$000	2023-24 \$000
City Gallery Wellington	165	395	560	198	198
Museums Wellington	152	100	116	99	99
Capital E	534	942	623	602	602
Space Place	81	485	78	78	78
Trust Office	0	0	520	543	543
Experience Wellington Total	932*	1,921	1,897	1520	1520

*Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

The 10th Capital E National Arts Festival for Children will take place in 2023 deferred from 2021 owing to COVID-19, increasing visitation in that year.

The trading figures from 2020 are shown net of cost of sales.

Spend per Visitor: Visitor related revenue.

Spend per Visit (\$)	2019-20 Actual \$	2020-21 SOI \$	2021-22 \$	2022-23 \$	2023-24 \$
City Gallery Wellington	2.11	1.76	4.93	1.06	1.91
Museums Wellington	2.75	1.06	2.37	1.51	2.54
Capital E	3.42	2.79	2.31	3.38	3.96
Space Place	10.79	5.67	11.14	6.45	8.76
Experience Wellington Total	3.38	1.93	3.96	2.21	3.17

Museums Wellington includes Wellington Museum, Cable Car Museum and Nairn Street Cottage.

Capital E will present the Capital E National Arts Festival for Children in 2022-23.

Experience Wellington Statement of Intent 2021-22

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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.

Number of Notifiable Incidents	2019-20 Actual	2020-21 SOI	2021-22	2022-23	2023-24
Experience Wellington Total	0	0	0	0	0

Staff Satisfaction: At least 80% of staff are engaged with the organisation as indicated through the annual Staff Engagement Survey.

Staff Satisfaction	2019-20 Actual	2020-21 SOI	2021-22	2022-23	2023-24
Experience Wellington Total	%	77%	80%	80%	80%

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	2019-20 Actual	2020-21 SOI	2021-22	2022-23	2023-24
New to the Collection	25	200	100	100	100
Collection Assessment	2,189	800	800	800	800
Collection Accessibility	7%	10%	10%	10%	10%

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 (excluding online engagement) 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 (\$)	2019-20 Actual \$	2020-21 SOI \$	2021-22 \$	2022-23 \$	2023-24 \$
City Gallery Wellington	22.07	43.34	17.64	22.10	21.43
Museums Wellington	7.25	15.52	10.15	8.19	7.19
Capital E	21.74	39.26	32.52	18.26	25.79
Space Place	12.63	23.56	8.85	8.37	7.79
Experience Wellington Total	14.55	29.47	18.30	15.84	15.41

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 – 22%

Space Place – 4.9% plus the cash underwrite

Central services provided through the Executive Office – 17.1%

Capital E will present the Capital E National Arts Festival for Children in 2022-23.

Table 2: Full subsidy per visit inclusive of Council's ownership costs

Full Subsidy per Visit (\$)	2019-20 Actual \$	2020-21 SOI \$	2021-22 \$	2022-23 \$	2023-24 \$
City Gallery Wellington	24.20	46.87			
Museums Wellington	10.49	16.79			
Capital E	23.25	42.46			
Space Place	20.60	23.56			
Experience Wellington Total	20.00	31.93			

Council's estimated ownership costs are supplied by Council.

The 10th Capital E National Arts Festival for Children will take place in 2023 deferred from 2021 owing to COVID-19.

BOARD'S APPROACH TO GOVERNANCE | Ta Poari Rapunga Whakaaro

Trustees are appointed by Council and are standard-bearers for our vision. The Board is responsible for setting the strategic direction and approving the Statement of Intent (SOI) 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 (listed below) which review relevant matters prior to consideration by the full Board. 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 regarding 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 supports the Chief Executive in carrying out their responsibilities as the employer of all staff and assists the Board to meet its due diligence responsibilities regarding Experience Wellington's compliance with the Health and Safety at Work Act 2015.

Board Membership

Trustee	Term Expires	Committees
Jane Wrightson, Chair	31 December 2021	Chair CEP&R and <i>ex officio</i> of PPS and A&R
Rachel Farrant	30 June 2021	Chair A&R and member of CEP&R
Peter Jackson	31 May 2022	Chair PPS
Peter Johnston	31 May 2022	Member of A&R, and CEP&R
Diane Calvert	31 October 2022	

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 2021.

COUNCIL RELATIONSHIP PRINCIPLES | He Mātāpono

The principles governing the relationship with Council as our primary stakeholder include:

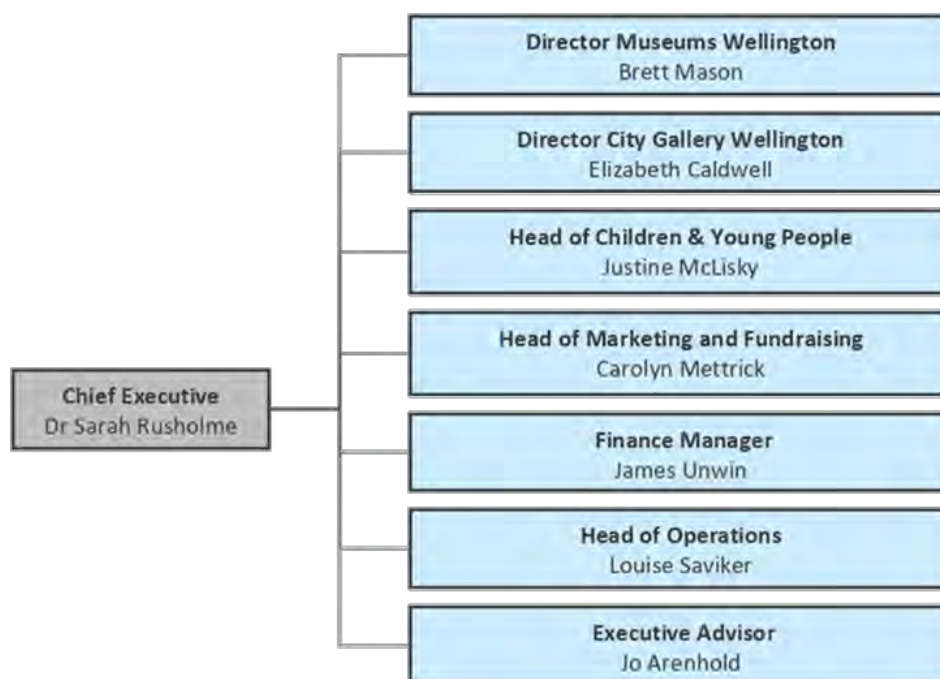
- Operating on a “no surprises” basis so that any significant event that may affect either party is brought to their attention as soon as it can be reasonably done.
- Open and frank communication will occur between Experience Wellington and Council.
- Provide advice to Council on the management and development 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.
- Disclosing within the Experience Wellington’s Strategic Plan any significant transactions that are planned.

**MANAGEMENT, ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT |
Te Ora o Wheako Pōneke**

Management

Our 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.

The senior team reporting to the Chief Executive is outlined below:



Organisational Health and Wellbeing

We are committed to continuous improvement of our organisation effectiveness with the objective of being an employer of choice demonstrating whanaungatanga.

Our wellbeing strategy aims to build a positive working environment. We have invested in training to support managers navigating wellbeing with their teams, and to increase awareness and skill including mental health training programmes.

Our people remain our greatest asset and in response to the COVID-19 crisis we have managed and implemented plans responding to the risks and needs of wellbeing, health and safety. These plans have included mechanisms to support remote working, redeployment to alternate work programmes, and considered health and safety procedures at each Alert Level.

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 an 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. Business Continuity Plans are being developed at all sites.

We acknowledge that under the Health and Safety at Work Act 2015 we share Person Conducting a Business or Undertaking (PCBU) responsibilities with Council regarding Council buildings we manage and occupy.

Assessed risks which carry a lower risk value tend to be within our operational purview except for risks associated with buildings maintenance and plant performance issues which are Council's responsibility. Building and plant issues that are likely to affect business continuity or present a risk to health and safety of workers and visitors are immediately brought to Council's attention.

Insurance

We have adequate insurance cover to meet specific business needs and deductibles are in line with generally accepted risk management principles and affordability.

APPENDIX 1: FORECAST FINANCIAL STATEMENTS
Āpitihanga 1: He Matapae Mō Ngā Tauāki Pūtea

FORECAST FINANCIAL STATEMENTS

Forecast	STATEMENT OF FINANCIAL PERFORMANCE	Budget Qtr to	Budget Qtr to	Budget Qtr to	Budget Qtr to	Total YE	Total YE	Total YE
30/06/21	Experience Wellington Total (\$'000)	30/09/21	31/12/21	31/03/22	30/06/22	30/06/22	30/06/23	30/06/24
Revenue								
984	Trading Income (Net)	256	380	433	367	1436	869	1,269
7,794	Council Operating Grant	1969	1969	1969	1969	7875	8,033	8,194
950	Council Resilience Fund	200	200	200	317	917	250	0
1,769	Council Rental Grant	442	442	442	442	1,769	1,769	1,769
1,452	Grants	336	328	326	338	1328	1,312	1,312
208	Sponsorships and Donations	88	47	32	404	569	208	208
1	Investment Income	11	4	11	4	30	30	30
187	Other Income	23	73	21	205	321	338	338
13,345	Total Revenue	3,325	3,443	3,434	4,046	14,245	12,809	13,120
Expenditure								
6961	Employee Costs	1842	1841	1850	1832	7385	6,750	6,810
1339	Council Rent	335	335	335	335	1339	1,339	1,339
2207	Exhibitions & Programmes	490	296	522	1239	2547	1,815	2,066
400	Marketing & Promotions	131	133	132	132	528	485	485
1233	Occupancy Costs (excluding Council Rent)	284	293	392	397	1341	1,366	1,366
101	Communication Costs	19	19	19	19	101	76	76
96	Trustee Fees & Expenses	24	24	24	24	94	94	94
207	Technology Costs	30	30	30	30	119	119	119
120	Professional Fees	26	26	26	26	103	77	77
169	Administration Expenses	46	46	42	43	175	175	175
512	Depreciation	128	128	128	128	513	513	513
0	Interest	0	0	0	0	0	0	0
13,345	Total Expenditure	3,355	3,171	3,500	4,225	14,245	12,809.00	13,120.00
0	Net Surplus/(Deficit) before Taxation	(30)	272	(66)	(179)	0	0	0
0	Taxation Expense	0	0	0	0	0	0	0
0	Net Surplus/(Deficit)	(30)	272	(66)	(179)	0	0	0
0	Operating Margin	(0.9%)	0	(1.92%)	(4.42%)	0	0	0

There has been a reallocation of costs from Exhibitions & Programmes to Employee Costs following a legal review where the status of a number of casual contractors has been changed to part-time employees.

30/06/21	Experience Wellington Total (\$ 000)	30/09/21	31/12/21	31/03/22	30/06/22	30/06/22	30/06/23	30/06/24
Shareholder/Trust Funds								
2,390	Share Capital/Settled Funds	2,390	2,390	2,390	2,390	2,390	2,390	2,390
0	Revaluation Reserves	0	0	0	0	0	0	0
447	Restricted Funds	447	447	447	447	447	447	447
1,881	Retained Earnings	1,851	2,123	2,057	1,881	1,881	1,881	1,881
4,718	Total Shareholder/Trust Funds	4,688	4,960	4,894	4,718	4,718	4,718	4,718
Current Assets								
40	Cash and Bank	40	40	40	40	40	40	40
600	Accounts Receivable	435	770	631	600	600	325	325
189	Other Current Assets	186	191	184	189	189	150	150
829	Total Current Assets	661	1,001	855	829	829	515	515
Investments								
1438	Deposits on Call	2677	980	2883	738	738	930	930
0	Other Investments	0	0	0	0	0	0	0
1,438	Total Investments	2,677	980	2,883	738	738	930	930
Non-Current Assets								
4335	Fixed Assets	4335	4335	4335	4,335	4335	4335	4,335
260	Other Non-current Assets	260	260	260	260	260	260	260
4,595	Total Non-current Assets	4,595	4,595	4,595	4,595	4,595	4,595	4,595
6,862	Total Assets	7,933	6,576	8,333	6,162	6,162	6,040	6,040
Current Liabilities								
1826	Accounts Payable and Accruals	2923	1295	3129	1122	1122	1000	1,000
318	Other Current Liabilities	322	321	310	322	322	322	322
2,144	Total Current Liabilities	3,245	1,616	3,439	1,444	1,444	1,322	1,322
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
4,718	Net Assets	4,688	4,960	4,894	4,718	4,718	4,718	4,718
0.39	Current Ratio	0.20	0.62	0.25	0.57	0.57	0.39	0.39
0.69	Equity Ratio	0.59	0.75	0.59	0.77	0.77	0.78	0.78

Forecast 30/06/21	STATEMENT OF CASH FLOWS Experience Wellington Total (\$ 000)	Budget Qtr to 30/09/21	Budget Qtr to 31/12/21	Budget Qtr to 31/03/22	Budget Qtr to 30/06/22	Total YE 30/06/22	Total YE 30/06/23	Total YE 30/06/24
Operating Cash Flow								
<i>Cash provided from:</i>								
984	Trading Receipts	256	380	433	367	1,436	869	1,269
10,513	WCC Grants	4,580	642	4,580	759	10,561	10,052	9,963
1,002	Other Grants	336	328	326	338	1,328	1,312	1,312
208	Sponsorships and Donations	88	47	32	402	569	208	208
1	Investment Income	11	4	11	4	30	30	30
187	Other Income	23	73	21	204	321	338	338
12895		5294	1474	5403	2074	14245	12,809	13,120
<i>Cash applied to:</i>								
6,961	Payments to Employees	1,842	1,841	1,850	1,852	7,385	6,750	6,810
5,756	Payments to Suppliers	2,085	1,202	1,522	2,235	7,047	5,354	5,797
0	Net GST Cash Flow	0	0	0	0	0	0	0
0	Interest Paid	0	0	0	0	0	0	0
12,717		3,927	3,043	3,372	4,087	14,432	12,104	12,607
178	Total Operating Cash Flow	1,367	(1,569)	2,031	(2,016)	(187)	705	513
Investing Cash Flow								
<i>Cash provided from:</i>								
6	Sale of Fixed Assets	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
6		0	0	0	0	0	0	0
<i>Cash applied to:</i>								
259	Purchase of Fixed Assets	128	128	128	129	513	513	513
0	Other	0	0	0	0	0	0	0
259		128	128	128	129	513	513	513
(253)	Total Investing Cash Flow	(128)	(128)	(128)	(129)	(513)	(513)	(513)
Financing Cash Flow								
<i>Cash provided from:</i>								
0	Drawdown of Loans	0	0	0	0	0	0	0
0	Other WCC Financing	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0
<i>Cash applied to:</i>								
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	0	0	0
0	Total Financing Cash Flow	0	0	0	0	0	0	0
(75)	Net Increase/(Decrease) in Cash Held	1239	(1,697)	1903	(2,145)	-700	192	0
1,553	Opening Cash Equivalents	1,476	2717	1020	2923	1478	778	970
1478	Closing Cash Equivalents	2717	1020	2923	778	778	970	970

The closing cash needs to include \$478k of tagged funds that if not used for earthquake strengthening will need to be repaid to MCH.

Forecast 30/06/21	CASH FLOW RECONCILIATION Experience Wellington Total (\$'000)	Budget Qtr to 30/09/21	Budget Qtr to 31/12/21	Budget Qtr to 31/03/22	Budget Qtr to 30/06/22	Total YE 30/06/22	Total YE 30/06/23	Total YE 30/06/24
0	Operating Surplus/(Deficit) for the Year	(30)	272	(66)	(179)	0	0	0
<i>Add Non-Cash Items:</i>								
512	Depreciation	128	128	128	128	513	513	513
0	Other	0	0	0	0	0	0	0
512		98	400	62	(51)	513	513	513
Movements in Working Capital								
(278)	(Increase)/Decrease in Receivables	165	(335)	139	31	0	275	0
6	(Increase)/Decrease in Other Current Assets	3	(5)	7	(5)	0	(39)	0
201	Increase/(Decrease) in Accounts	0	0	0	4	0	78	0
(263)	Increase/(Decrease) in Other Current Liabilities	1,101	(1,629)	1,823	(1,995)	(700)	(122)	0
(334)		1269	(1,969)	1969	(1,965)	-700	192	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
0		0	0	0	0	0	0	0
178	Net Cash Flow from Operations	1,367	(1,569)	2,031	(2,016)	(187)	705	513

APPENDIX 2: ACCOUNTING POLICIES | Āpitihanga 2: Nga Ture Kaute

Significant Accounting Policies

The following accounting policies which have a material effect on the measurement of results have been adopted by Experience Wellington.

1. Reporting entity

The Wellington Museums Trust Incorporated, trading as Experience Wellington, is a Registered Charity CC22571 under the Charities Act 2005. It is a Council Controlled Organisation (CCO) in terms of the Local Government Act 2002.

The forecast financial statements of Experience Wellington for 2020-21 onwards includes the activities of the following business units - the Experience Wellington Executive Office, Capital E, City Gallery Wellington, Museums Wellington covering Wellington Museum, Nairn Street Cottage, the Wellington Cable Car Museum, and Space Place at Carter Observatory.

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, Experience Wellington 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 forecast 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 forecast financial statements are prepared on the historical cost basis.

c) Presentation currency

These forecast 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 Experience Wellington and the cost of the item can be measured reliably. All other costs are recognised in surplus/ (deficit) as an expense as incurred.

(ii) Depreciation

Depreciation is charged to surplus/ (deficit) using the straight-line method. Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. The estimated useful lives of major classes of assets and resulting rates are as follows:

▪ Computer 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 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 2019 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 Statement of Financial Position date.

i) Provisions

A provision is recognised when Experience Wellington has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market rates and, where appropriate, the risks specific to the liability.

j) Trade and other payables

Trade and other payables are stated at cost.

k) Revenue

(i) Funding

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 a Registered Charity 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 \$7,720K for the core operation including Space Place at Carter Observatory and an accommodation rental subsidy of \$1,769K for the 2020-21 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 2020 the ratio of shareholders' funds to total assets is 0.73 and this is maintained in the forecasted Statement of Financial Position as at 30 June 2021.

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.

APPENDIX 3: COUNCIL LETTER OF EXPECTATION
Āpitianga 3: He Pānui o Kawatau o Te Kaunihera

22 December 2020



Jackie Lloyd
Chair
Wellington Museums Trust
PO Box 893
WELLINGTON 6140

By email only: jackie.lloydnz@gmail.com

Dear Jackie

Re: 2021/22 Statement of Intent and Wellington City Council Expectations

Once again, I would like to acknowledge the dedication and effort of all of your staff and volunteers across our WCC CCO whanau during 2020. I want to particularly thank you for the care you showed for the wellbeing of your staff during this stressful time. Together you moved your organisations to a level four lockdown at short notice. Your ability to reopen safely as we moved to lower alert levels gave our community a much-needed sense of normality and created spaces for us to begin to come together once more as a city. I'm deeply grateful for the contribution you made to the social wellbeing of our residents this year, over and above the usual benefits you deliver to our city.

Throughout all of this, you responded with innovation to seize new opportunities presented by this crisis, such as delivering greater online engagement, finding ways to operate more efficiently, and pivoting to target local audiences. This creativity and flexibility has contributed to all of our CCOs being ahead of their COVID-19 affected targets for this financial year.

As we look to the future to plan for 2021/22 we will need you to continue showing this same can-do attitude to tackle the challenges of managing both the immediate responses to the pandemic and the longer-term economic recovery.

Council is committed to building on Wellington's strengths as a wild, creative, and quirky city. Our 2021-31 Long Term Plan will focus on our vision for *Wellington 2040: An inclusive, creative capital where people like to live – inclusively and sustainably*. The community outcomes underpinning this vision include:

- **Environmental wellbeing:** *A sustainable, natural Eco city.* A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is adapting to climate change – for now and future generations.
- **Social wellbeing:** *A people friendly, compact, and accessible capital city.* An inclusive, liveable and resilient city where people, mana whenua, Maori and communities can learn, are connected, well housed, safe and healthy.
- **Cultural wellbeing:** *An innovative, inclusive quirky city.* Wellington is a vibrant, creative city with the energy and opportunity to collaborate, explore identities and openly express, preserve and enjoy their arts, culture and heritage.

Wellington City Council

60 Wakefield Street
PO Box 3109, Wellington 6140,
New Zealand

Phone: 04 473 4444
Fax: 04 473 3133
Wellington.govt.nz

- **Economic wellbeing:** *A dynamic and sustainable economy.* The city is attracting and developing creative talent to enterprises across the city, creating jobs through innovation and growth while ensuring what we make is being reused.

I am excited to see how the Trust's plans will contribute to achieving these outcomes for our city. While this letter sets out the Council's expectations for the Trust in the coming year, I also invite you to challenge us with ideas you have for the future of the Trust. Our relationship is one of strategic partnership, and I believe that the process of setting your SOI should be one of conversation and co-creation. This conversation will need to take place within the context of the financial challenges that Council is facing due to COVID-19 revenue losses and essential investment across the city as we tackle historic underinvestment in key infrastructure, plan for population growth, increase resilience and transition to a low carbon city. This will require a focus on robust financial management and delivering services in a financially sustainable and affordable manner both for the Council and for the Trust.

The Trust should plan on receiving a modest inflation indexed increase on the current year operating grant. However, given the challenges facing Council, new investment that does not align closely with the Council's priorities is unlikely to be supported. Where the Trust is facing challenges to third party revenue or managing cost pressures over and above the Council operating grant, you will need to have robust plans to manage these pressures.

The Trust has an important role to play in the implementation of Te Atakura First to Zero strategy to achieve Wellington's carbon reduction goal (43% reduction by 2030) and the Council's carbon reduction goal (net zero by 2050). These goals cannot be achieved by Council or our CCOs alone. We will need to provide a leadership role and develop relationships with many other organisations across the city to achieve this transformational change. In many cases our CCOs have expertise on a low carbon journey that can help Council.

This will include working with the Council on First to Zero waste minimisation plans and strategies. The Trust will be expected to demonstrate how it plans to, or already contributes to Council achieving its targets for Te Atakura and waste minimisation.

Council is working on new strategies in the areas of economic development, arts and culture, and children and young people. Council plans to engage with the Trust in the development of these new strategies and the Trust will be part of the implementation of any new strategic outcomes.

Improving accessibility to Council's activities and services will continue to be an immediate focus for the Council and it is expected that the Trust will continue to support this by planning to improve accessibility at its facilities where possible.

The Trust's SOI should discuss its plans for fundraising for the Bond Store strengthening and redevelopment project, on the basis that this project receives funding through Council's 2021-31 Long-term Plan. It should also discuss the Trust's plans for the Wellington Museum during the expected building closure for the construction works.

Governance

The Council expects the Trust to maintain a high degree of awareness of legislation that is applicable to its activities and in particular on relevant Health and Safety legislation. While this is an enduring Council expectation, this needs to be a key focus given the amount of construction work happening at the Basin Reserve.

The Council expects the Trust to comply with its obligations under the Health and Safety at Work Act 2015. This includes having in place an effective health and safety management framework that identifies and

prioritises the management of critical areas of health and safety risk and that this management framework is reviewed, monitored and verified for effectiveness. Where the Council and the Trust have shared responsibilities and overlapping duties as they relate to the health and safety risks of the activities and services of the Trust and the Council, then all parties will ensure that there is effective consultation, co-operation and co-ordination of activities and responsibilities to eliminate or minimise the health and safety risks and that our organisations are aligned and influencing good outcomes that keep all those in or in the vicinity of our workplaces safe and free from harm.

The Trust board is expected to meet best practice governance standards and, in support of this, to undertake a performance review of the overall board, individual board members and the board chair. On completion of this review, the Council's Chief Executive should receive an update that describes the form the review took and the outcomes of the review in relation to the Council appointed Trustees. The review is to be completed by 30 September 2021.

It is good governance for an entity to maintain a skills matrix in relation to its board of directors or trustees. The link below is a useful document regarding creating and disclosing a board skills matrix (noting it is a Governance Institute of Australia publication). <https://www.asx.com.au/documents/asx-compliance/creating-disclosing-board-skills-matrix.pdf>

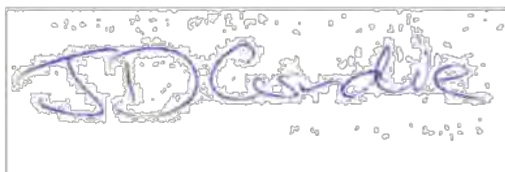
Council would like to receive a copy of the Trust's skills matrix by 31 March 2021 and updated annually thereafter.

Timetable

We look forward to receiving the Trust's draft Statement of Intent no later than 1 March 2021. Please refer to the reporting timetable attached for other reporting dates.

Should you have any queries or comments regarding this letter or wish to discuss the Council's strategies and the outcomes we are seeking in more detail, please contact Warwick Hayes in the first instance on 021 247 8377.

Yours sincerely



Cr Jenny Condie
Chair, Council-controlled Organisations Subcommittee
Ph: (021) 972 763
Email: jenny.condie@wcc.govt.nz

cc: Sarah Rusholme, Chief Executive
sarahr@experiencewellington.org.nz

EXPERIENCE WELLINGTON DIRECTORY
Te papatohu ō Wheako Pōneke

Experience Wellington Executive Office
Level 8, AMI Plaza, 342 Lambton Quay
PO Box 893, Wellington
P: 04 471 0919
E: experience@experiencewellington.org.nz
www.experiencewellington.org.nz

City Gallery Wellington Te Whare Toi
'A contemporary art gallery with an international reputation the hub of art-life in New Zealand's capital'
Te Ngākau Civic Square
101 Wakefield Street
PO Box 893, Wellington
P: 04 913 9032
E: citygallery@experiencewellington.org.nz
www.citygallery.org.nz

Capital E Nōku Te Ao
'Ignites and fuels children's creative spark'
4 Queens Wharf
PO Box 893, Wellington
P: 04 913 3740
E: capitale@experiencewellington.org.nz
www.capitale.org.nz

Space Place Te Ara a Whānui Ki Te Rangi
'Transports visitors from Wellington to outer space.'
Botanic Gardens
PO Box 893, Wellington
P: 04 910 3140
E: spaceplace@experiencewellington.org.nz
www.museumswellington.org.nz/space-place

Wellington Museum Te Waka Huia o Ngā Taonga Tuku Iho
'Shares the stories and objects of Wellington.'
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
'Encourages visitors to explore and share the technology, history and experience of Wellington's Cable Car'
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
'Illustrates the story of Wellington through the Wallis family.'
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)

New Zealand Cricket Museum Ngā Taonga Kirikiti
The Old Grandstand, Basin Reserve
PO Box 578, Wellington
P: 04 385 6602
E: cricket@experiencewellington.org.nz
<http://nzcricketmuseum.co.nz/>
Note: The New Zealand Cricket Museum is currently closed for redevelopment.

Our Experiences





**WELLINGTON REGIONAL ECONOMIC
DEVELOPMENT AGENCY LIMITED**

**STATEMENT OF INTENT
2021-2024**

DRAFT

WREDA STATEMENT OF INTENT 2021-2024

DRAFT

WREDA STATEMENT OF INTENT 2021-2024

Mihi

E tu noa ana ngā maunga whakahi i te rohe whānui o Te Upoko o te Ika a Maui. Mihi atu ana ki ngā iwi, ngā manawhenua o Te Whanganui a Tara, o Te Awakairangi, o Wairarapa, o Kāpiti, o Porirua hoki.

Ngā mihi hoki ki ngā iti, ki ngā rahi e noho ana i ngā takiwā nei. Koutou hoki ngā taurahere me te hunga o te Moana Nui a Kiwa.

Rātou te hunga mate, kua poto ki tua o te ārai, e moe, okioki e.

Te hunga ora e kawē ana ngā ahi kā, me te kaupapa toi, te auaha pai me te whai rawa o Te Upoko o te Ika, tēnā koutou katoa.

The many mountains of Te Upoko o te Ika a Maui (from Head of the Fish of Maui) stand proud. We acknowledge the mana whenua people of the region, of Wellington, Hutt Valley, Wairarapa, Kāpiti and Porirua. We acknowledge all peoples and the many communities of the Pacific Islands.

To those that have passed - we acknowledge you in your eternal rest.

To those who maintain the fires of residence, the pursuit of innovation and creativity here in the wider Wellington region, we acknowledge you too.

WREDA STATEMENT OF INTENT 2021-2024

Introduction

In accordance with the Local Government Act 2002, this Statement of Intent (SOI) states the planned activities, intentions and performance measures for the Wellington Regional Economic Development Agency (WREDA) for the next three years. It is written in response to the Wellington Regional Strategy (WRS) Committee's December 2019 Letter of Expectation and covers both WREDA Ltd (WellingtonNZ) and its subsidiary CreativeHQ Ltd.

Tēna koutou e ngā rangatira

The Wellington region has demonstrated its resilience in the face of the Covid pandemic and is well placed for the future.

There are two key reasons for this. Firstly, we have a diversified economy built around Government, professional services specialised manufacturing, the screen industry and technology. Secondly, we are a place where talented, creative people choose to live. This reflects the topography of the place, the accessibility of coast and hills and the energy which comes from Wellington being a centre of government, a place of learning and ideas and, as the poet Lauris Edmond put it, "a city of action – the world headquarters of the verb". Creativity and innovation are central to making the region a magnet for talent as are the dynamic hospitality and events scenes. However, we cannot be complacent and to thrive, action is required.

As is outlined in the Wellington Regional Strategy Committee's letter of expectation to WellingtonNZ, although Covid19 presents many challenges for the region's economy it also provides an opportunity to reflect, reset and reimagine. This SOI responds to this challenge identifying the important role WellingtonNZ can play in helping build a thriving regional economy with increasing numbers of people participating in the benefits it delivers.

For WellingtonNZ to achieve our ambition of making the Wellington region wildly famous, we need to support our innovators to commercialise ideas and grow businesses that can boost exports, create jobs and help address challenges – such as the transition to a low carbon economy – that are essential for sustainable growth. We need to get behind our artists, performers, film makers and other creatives to help tell the stories of this place in new and unique ways. We need to recognise the strength being the nation's capital brings – the debate, policy, innovation, thinking and government institutions, and leverage these to benefit everyone. Lastly, we must celebrate the people of this place – mana whenua, Pasifika and the diverse communities whose talent, passion and ambition will help shape our future and create opportunity for us all.

WellingtonNZ exists to facilitate and help bring this future to life, through storytelling, events and experiences, in supporting talent and jobs for the future, and in attracting investment in region.

This is a place that has always been filled with creative people doing wildly creative and innovative things across all sectors. We are surrounded by dramatic landscapes. We host electrifying events. We are the seat of government, and the centre for much academic, entrepreneurial and scientific endeavour. Despite the global, national, and local challenges of 2020, we are wildly ambitious for the Wellington region, and proud of our role in furthering its success.

Tracey Bridges
Chair of the Board

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1. About WellingtonNZ

1.1 Who we are

WellingtonNZ is the Wellington region's economic development and promotions agency.

WellingtonNZ is a Council Controlled Organisation (CCO) with our shareholders being Wellington City Council (WCC – 80%) and Greater Wellington Regional Council (GWRC – 20%). We are governed by an independent Board of Directors who are appointed by the shareholders. WellingtonNZ reports through to the Wellington Regional Strategy Committee (WRS) which consists of mayors from Territorial Authorities across the region, and WCC and GWRC councillors. It is the WRS Committee that has provided the Letter of Expectation that has shaped this Statement of Intent, and that reviews and recommends the approval of this Statement of Intent to the shareholders.

Funding for WellingtonNZ activities comes from the two shareholding councils, from central government agencies who contract WellingtonNZ to perform specific services, and a range of private sector partners.

WellingtonNZ is also the owner of a subsidiary company, Creative HQ Ltd. Creative HQ provides business incubation, acceleration and innovation services. Creative HQ has its own independent Board, including a WellingtonNZ Director and the WellingtonNZ CEO.

1.2 Our purpose

Our purpose is to **make the Wellington region wildly famous**. This purpose reflects our central role in placemaking and storytelling, and in attracting people to our region, as the best place in New Zealand to visit, host an event, start and sustain a business, make a film, study, migrate to or invest in. By making our region wildly famous, we create a platform for the region to prosper – both economically but also in terms of vibrancy and liveability.

We believe that the region – which includes Kāpiti, Porirua, the Hutt Valley, Wairarapa and Wellington city – is greater than the sum of its parts and that by working to develop and tell a compelling and unifying regional story, we amplify the potential of this place.

Our vision is that **the Wellington regional economy is thriving with more people participating in the benefits**. This means more opportunities for people – to study, work and enjoy and participate in all that the region has to offer.

We have identified three focus areas, to support this kaupapa and to reflect the expectations of our shareholders:

- **Jobs for the future** - Support businesses to grow, innovate and meet future workforce needs
- **Placemaking** - Enhance Wellington's reputation as New Zealand's creative heart
- **Collaboration and Engagement** - Working in partnership to support investment in the region

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1.3 Our role in reactivating the Wellington region

This is a three-year SOI. We expect that the impact of Covid-19 will be felt throughout this period with border restrictions, international uncertainty and market volatility impacting our country and region. Aotearoa is well positioned to ride out these challenges, and Wellington particularly so.

We have already stepped up our activity following the impact of Covid19 on our economy. In the 2019/2020 financial year we supported thousands of businesses and facilitated:

- \$115m in direct economic impact from WellingtonNZ activities
- \$1.4m in professional service vouchers to support business
- \$2.3m in research and development grants to drive innovation
- \$91m in out of region spend from major events, and events in our venues
- \$30m in equivalent advertising value from positive media coverage about Wellington
- \$2.2m in investment into Creative HQ incubated businesses

There is much work still to do and WellingtonNZ must play a leading role in re-establishing and sustaining confidence within the region. To be successful, this mahi must be done in partnership with local and central government, mana whenua, the private sector and wider community to create a collective vision – and action plan for the region.

The Government has announced significant new funding to support the Covid recovery process and promote regional development. We will be actively working with stakeholders to define our regional economic strategy and secure funding support for priority projects in our region.

1.4 Creative HQ

Creative HQ Ltd is a wholly owned subsidiary of WREDA Ltd. It has its own Board of Directors, including three independent Directors (one of whom is Chair), a Director from the WellingtonNZ Board and the Chief Executive of WellingtonNZ.

Creative HQ is New Zealand's leading provider of incubation, acceleration and innovation programmes. Since its formation in 2003, CreativeHQ has worked with over 300 start-ups and high growth ventures to develop their business concepts and commercialise opportunities.

In addition to CreativeHQ's strong track record in start-up innovation, incubation and acceleration, the company has also established a leadership position in structured innovation programmes (including corporate accelerators and design sprints) Creative HQ has also led the charge on GovTech – defined as breakthrough innovation in Government and the public service - with CreativeHQ pioneering the first acceleration programme for Government in 2014 and establishing Wellington as a global GovTech hub.

Creative HQ has played a critical role in supporting companies to respond to the many challenges of Covid-19. The opportunity now exists to ramp up this activity to support more start-ups, more entrepreneurs, more innovation, and in doing so to support the creation of jobs in our community.

The focus for CreativeHQ growth during this next SOI period will continue to be in four core areas:

- Incubation services and associated eco-system services for start-up ventures
- Acceleration programmes
- Structured innovation training and associated enterprise capability services (targeting customers from start-ups to corporates)
- Public sector innovation through leveraging GovTech expertise

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The core funding provided by WellingtonNZ to CreativeHQ is used to support these services in the Wellington region. In addition, CreativeHQ is building its market reach by providing services nationally and internationally. Activities outside of the Wellington region are funded by third party and commercial partners/contracts.

2. Programme of Activity

2.1 Key Programmes of Work

JOBS FOR THE FUTURE

Objective: Support businesses to grow, innovate and meet future workforce needs, to ensure more businesses are succeeding and employing more people.

Maori Economic Development and Business Support	We are actively building our relationships with Mana Whenua to better understand their ambitions and priorities across the region and to position ourselves to help support them in achieving these. This will see a focus on supporting Maori business, working with mana whenua to help tell the stories of this place and a focus on developing and supporting Maori entrepreneurial activity and skills. As part of this we will be looking at how to grow our specific support for Maori Businesses via our Kaiwhakatupu Pakihi Māori (Māori Business Growth Advisor).
Screen Wellington	In our role operating the Wellington regional film office, we will leverage New Zealand's status as a safe, attraction film destination to attract and support screen activity in the region. We will work directly with the local industry to build capability, investment, digital export and infrastructure growth.
Regional Business Partnership Programme - Enhancement	The RBP and Business Growth teams proved their value in supporting businesses through the initial response phase to Covid-19. The opportunity is now to build on the strengthened relationships to deliver greater value to business. This will be a focus as we renegotiate the current RBP contract in 2021.
Intern Programmes and Pathways to Employment	In line with our involvement in the Regional Skills Leadership Group, we will continue to support programmes that are targeted at providing intern opportunities for students and create pathways to full employment. Currently we support the Summer of Tech and Young Enterprise programmes and will be considering ways that we can continue to grow the scale and impact of these.
Creative HQ – Incubation Services and Innovation Ecosystem Support	Creative HQ is an asset, enabling WellingtonNZ to support and grow the region's start up and entrepreneurial activity. We will be looking to expand its activities in both business incubation and corporate (and Government) innovation. We want to see growth in the number of business start-ups in the region and the range of support available to founders as they scale their businesses.
Wellington Regional Growth Framework	Work is underway on a Regional Growth Framework – a joint local government, central government and iwi project to develop a region wide spatial plan for the next 30 years which will include a programme of projects to resolve growth issues and other challenges. We will work alongside the other stakeholders in supporting the development of this framework and the projects that evolve as part of it.

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Wellington Convention Bureau	Business Events will continue to play an important role in the Wellington economy, with a near term focus on attracting conferences and business events locally, nationally and trans-Tasman, while also creating a strong international pipeline for when international travel starts again. This is particularly important with Tākina – the new Wellington Convention and Exhibition Centre – coming on-stream in 2023.
Supporting Wellington businesses to reactivate	Leveraging the Love Local campaign, which we developed during the initial Covid response phase to “get the tills ringing”, we will continue to lead a programme of promotions, and activations to help businesses get back on their feet and rebuild consumer confidence in a welcoming, safe and creatively Wellington way.

PLACEMAKING

Objective: Enhance Wellington as New Zealand’s creative heart to drive more locals and visitors to participate in events and experiences, and drive visitation into local businesses and attractions.

Programme	Overview
Major Events	WellingtonNZ will continue to support and invest in a programme of Major Events for Wellington City, taking a portfolio approach to ensure the best value to residents and business, generating economic, cultural and social benefit. In this SOI period our WellingtonNZ Major Events team will also administer and monitor the Wellington Regional Events Fund, provided as part of the New Zealand Government’s Tourism Recovery Package. The fund will focus on securing events for the Wellington region that will drive domestic visitation to the region, increasing tourism spend.
Destination marketing	WellingtonNZ plays a leading role in marketing Wellington and telling the story of the Wellington region via marketing campaigns, travel trade outreach, editorial media outreach, digital platforms and activations. As the storytelling engine for the region, we will be increasing our activity in this space, ensuring that we are telling a coordinated, compelling and future focused story to all key audiences – including residents, so they understand the opportunities, benefits and future potential of our region, and be vocal advocates for it.
Investment attraction	Attracting and facilitating investment that will support business attraction, retention and growth, to drive job opportunities and economic growth across the region.
Wellington City i-Site	Operating the Wellington City i-Site (visitor information centre) and associated Wellington City Ambassador volunteer programme.
Venues Wellington	WellingtonNZ manages the operation of the Wellington city venues under the Venues Wellington brand – including sales, facilities management, event operations and customer experience. This SOI period will see us working with WCC to drive investment in our civic venues to ensure they are fit for purpose and meet changing audience trends and expectations.
UNESCO City of Film	In 2019 Wellington was named a UNESCO City of Film. WellingtonNZ is the lead agency in coordinating leveraging this accolade through storytelling and working with the screen industry, and local and central government. The programme aims to contribute to a more vibrant, sustainable and inclusive screen sector and city.
Wellington Regional Trails Framework	Continuing to be the facilitation and project management lead on execution of the Regional Trails Framework and the promotion of Trails in the region under the Find Your Wild brand.

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COLLABORATION AND ENGAGEMENT

Objective: *Work in partnership to support investment in the region to unlock the best outcomes and opportunities for all.*

Wellington Regional Economic Plan	This plan will recognise capabilities across the region and align and leverage them to maximise long-term benefits for all. We will work closely with GWRC, Territorial Authorities, Mana Whenua and other stakeholders to deliver a plan that is action focused and which identifies and prioritises the work required to ensure a sustainable future for the region.
Regional Infrastructure and Economic Development Projects	We will continue to work with and support local TA (Territorial Authority) Economic Development teams on the execution of their Economic Development strategies, within the context of our wider regional mandate. We are actively working with TAs to ensure we are reflecting their priorities and requirements in our work programmes. We will identify specific projects in individual TAs that we can support. We are also exploring different resourcing models to make our support across the region more visible and effective.
Regional Workforce and Skills Development	A considerable emphasis is being placed by the Government on regional development, supported by significant funding for critical infrastructure projects and a focus on skills development. WellingtonNZ is actively involved in the Regional Skills Leadership Group and will help develop specific proposals as priorities are determined. A particular area of focus is likely to be supporting Mana Whenua and Pasifika communities with skills development programmes for their rangatahi.
Mana Whenua Partnerships	We will continue to deepen relationships with mana whenua to ensure our work supports their goals and we're working in partnership to deliver for the people of this region.
The Creative Sector	The arts and creative sectors play a critical role in defining, energising and shaping our city and region. We are actively working with WCC on the development of the city's arts, economic and young peoples' strategies. We are also working to support our creative practitioners, engaging them directly to help tell our stories, develop events and sustain the vibrancy of the city. This includes advocating for investment in arts infrastructure that can be utilised to showcase our artists and bring vibrancy to our region.

2.2 Supporting Sustainability and a Low Carbon Economy

The Government and Councils within the Wellington region have announced a climate change emergency and have (or are) developing low carbon-based strategies, plans and policies. One example is Wellington City, which has adopted *Te Atakura - First to Zero*, a plan that aims to ensure Wellington is a net zero emission city by 2050, with a commitment to making the most significant cuts in the first 10 years.

As the economic development agency for the region, we recognise that we have a role to play in supporting these policies, and that they will be an important focus in the post Covid recovery period. There are significant opportunities to establish and grow new companies focusing on the low carbon economy (CoGo, Mevo, and Hot Lime Labs are just a few examples) We will tell stories of world leading research from our universities, CRIs and major energy companies, the development our trails, the work of Zealandia and our predator free programme.

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In addition, over the SOI period we will be taking the following actions:

Regional Business Partnership (RBP) Programme

- Our team engage with Wellington businesses every day through the RBP programme. This provides the opportunity to emphasise the importance of sustainability in business planning, identifying sustainability as an important component of a business's development and provide guidance on how to transition to a low-carbon business model. Over the course of this SOI period we will examine ways that we can make this a more overt part of our programme delivery.

Tourism Sustainability

- While Tourism will be impacted and reimaged by the Covid 19 situation, people will continue and issues the environmental impact will remain. WellingtonNZ will continue to participate in initiatives that address this at a national level. This includes supporting the Tourism Industry Aotearoa Sustainability Commitment and being a participant in MBIE's Sustainable Tourism Framework development.
- The development of work from our Destination Plan will include focus on developing sustainable/low-carbon tourism business that reduce the environmental impact of visitors.

In addition to the above, we will continue to focus on our own internal activities:

- In 2019 we developed our Sustainability Policy. Amongst other things we committed to:
 - Reducing waste in all forms across our business wherever.
 - Monitoring and reducing our carbon footprint to lessen our impact on the world around us.
 - Seeking out partners with sound sustainable and environmental practices.
 - Sourcing local when possible and having a focus on sustainable procurement.
- In 2021/22 we will focus on:
 - Continuing to reduce waste across all our operations and ensuring good recycling practices, with a particular focus on working with WCC to improve the performance of the Venues we manage on their behalf. In doing this we will note the guidance from the Wellington Region Waste Management and Minimisation Plan.
 - Work with our Venues delivery partners (e.g. catering partners) to minimise waste and ensure good recycling practices across their operations within the Venues.
 - Continuing to work with WCC across our Venues operations to improve the performance in relation to energy consumption.
 - Reducing our Carbon Footprint and off-setting where reduction is not possible to be Carbon Zero.
- WellingtonNZ will also participate in the Wellington Region Climate Change Working Group (WRCCWG).

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3. Performance Metrics

In 2019/20, WellingtonNZ reviewed its performance framework with the aim of:

- Reducing the number of metrics;
- Ensuring metrics are linked to factors which WellingtonNZ can control and which measure WellingtonNZ's direct impact;
- Measuring outcomes not just outputs;
- Providing greater clarity on the region's return on investment.

This remains challenging given the range of activities undertaken by WellingtonNZ and the varying levels of influence that WellingtonNZ has over ultimate outcomes. The impact of Covid-19 further complicated the situation, which has made both existing benchmarks less relevant and forecasting targets in an uncertain future very challenging.

For this reason, we made further adjustments and reductions to our performance metrics in 2020/21 to provide a small number of headline measures. We have refined the measures for 2021/22. However, at the time of writing this SOI, we still do not have clarity about the operating environment in 2021/22 and therefore, we will continue to refine the measures as we gain more clarity.

Note that in addition to these headline measures we will continue to measure a range of operational metrics including those that relate directly to our WCC, Major Events and Venues Wellington funding (aligned to the expectations of the Funding Agreements), and a range of historical metrics.

Key Headline Performance Indicators

KPI	Explanation	2020/21 Forecast	2021/22 Target
JOBS FOR THE FUTURE			
KPI 1: Direct economic impact of WellingtonNZ's activities and interventions	This is a measure we introduced in 2019/20. It is designed to provide a dollar value indication of the impact of WellingtonNZ activities by collating the value of those activities that we directly influence and impact (where we have data to support that).	\$ 115 million	\$150 million
KPI 2: Number of businesses engaged by a WellingtonNZ intervention or programme	This is a measure we introduced in 2019/20. It is designed to provide an indication of the number of businesses that we have directly impacted on by either being part of a WellingtonNZ programme or a direct WellingtonNZ activity or intervention	3,200 (note that this is larger than expected due to the impact of Covid-19 Response activities)	2,000

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PLACEMAKING			
KPI 3: Equivalent Advertising Value (EAV) from media activity	This is a measure we introduced in 2019/20. A key activity for WellingtonNZ is creating external stories and media content. Equivalent Advertising Value (EAV) is an accepted industry estimate of the value of media coverage that results from public relations and media activity. EAV is based on the equivalent cost to purchase the same reach and coverage results. This is a combination of TNZ (International media EAV) and Domestic Media	\$25 million	\$25 million
KPI 4: Value of expenditure generated from events (including business, performance, and major events)	Currently we measure out of region spend events at both Wellington city venues (covering both performance and business events) and Major Events. It is calculated using agreed methodology that is consistent across New Zealand. In light of Covid-19 and an increased domestic focus, we will measure the local audience at events to reflect the full impact.	\$45M (note that this is out of region only)	\$75M (depending on Covid alert levels and viability of events)
The number of Wellington Region residents that attend events		480,000	500,000
COLLABORATION & ENGAGEMENT			
KPI 5: Stakeholder engagement	This is a measure of the engagement we have with our wide and varied stakeholders, and the quality of those relationships.	80%	Increase

In addition to the above we have 3 key internal facing KPIs:

KPI	Explanation	2020/21 Forecast	2021/22 Target
KPI 1: Financial Management	Budget on track – income, expenditure and surplus.	On Track	To Budget
KPI 2: Funding Diversification	% of revenue from commercial/non council funding and commercial activity (combined WELLINGTONNZ and CHQ)	25%	30%
KPI3: Employee Engagement	As measured by our CultureAmp employee surveys	65%	68%

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Indirect Measures of Impact

We will continue to measure, monitor, and report on a range of metrics which indicate how the region is performing in key areas of WellingtonNZ interest, but for which WellingtonNZ only has a partial or no direct impact. These include measures that are specifically requested as part of the WCC funding agreements.

Measure	Actual (19/20)	Forecast (20/21)	Projected (21/22)
International Arrivals through Wellington International Airport	International 160,162 Australian 114,336	International 4 Australian 2	International 50,000 Australia 30,000
Visitor spend (Domestic & Other)	Domestic \$758m Other \$238m	Domestic \$900m Other \$100m	Domestic \$927m Other \$140m
Total Visitors' nights to our Wellington Region	Dataset Change	2,236,000	2,375,000
Share of multi-day conferences reported in the Wellington Region	Dataset Change	22%	22%

We will also continue to collect and share data on the performance of the Wellington region including, but not limited to:

Population Growth due to migration to Wellington Region	7,138	8,000	11,000
Wellington Region GDP	2.6% (Sep 2019 figures from Infometrics)	2%	1.5%
Number of Filled Jobs in our Region	246,296 as of June 2020	251,000	255,000
Number on Jobseeker Support benefit – Work Ready	13,677 as of June 2020	14,500	12,500
Mean Annual Earnings of people in employment in the Wellington region	Workforce \$69,222 Maori Workforce \$64,587	Workforce \$70,814 <small>Treasury forecast are only for entire NZ workforce</small>	Workforce \$72,372 <small>Treasury forecast are only for entire NZ workforce</small>

5. WellingtonNZ Operations

5.1 Living Wage

In September 2019 WellingtonNZ implemented the living wage for all employees. WellingtonNZ remains committed to paying the living wage and will ensure employees are continued to be paid at least the current living wage as calculated independently by the New Zealand Family Centre Social Policy Unit, ensuring all staff can fully participate as active citizens within the community.

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5.2 Diversified Revenue Sources

WellingtonNZ receives its primary funding from its shareholding councils. It also receives funding from commercial and government partners. Examples of this include:

- NZTE and Callaghan for the RBP programme;
- Educational institutions for the WISGP programme;
- Partnerships with tourist operators and hotels to support destination marketing and business events attraction;
- Commercial engagements via CreativeHQ.

As well as supplementing core funding, commercial funding partnerships connect us more directly with relevant sectors and ensures the work we do is relevant and accountable to those sectors.

In this next SOI period we will continue to look for opportunities to grow funding partnerships outside of our core funding, and to commercialise our own activities as appropriate.

5.3 Te Reo Māori

In line with the WCC policy – and Wellington's aim to be a Te Reo Māori City – WellingtonNZ will be seeking opportunities to support and raise the presence of Te Reo Māori through our storytelling activities and our own day to day operations. This includes:

- A commitment to work in partnership with Mana Whenua to share their stories, support their tourism initiatives and enhance the skills of their emerging entrepreneurs;
- A commitment to facilitating the upskilling of our team in both Te Reo and Tikanga Māori;
- Introducing Te Reo into communications and marketing material where appropriate;
- Incorporating a Māori perspective and particularly that of mana whenua into our business growth work as appropriate.

5.4 Health, Safety and Wellbeing

WellingtonNZ has a commitment to the Health, Safety and Wellbeing of our employees and, given that we operate public venues, the Health and Safety of our venue hirers and patrons. We are committed to continuing to develop a working environment where positive Health and Safety is part of our culture. what we do, rather than a compliance task.

This is reflected in the following policy statement which has been signed by the WellingtonNZ Board:

WREDA will take every reasonably practicable step to ensure the health and safety of all our employees, contractors, visitors and venue hirers and patrons.

WREDA recognises that effective health and safety leadership involves an integrated framework of values, operating procedures and behaviours across the whole organisation. The role of the WREDA Board is to ensure that a positive and robust governance culture is in place to provide a strategic and structured health and safety management system that aligns to the organisational goals of WREDA.

Through monitoring the performance of WREDA health and safety practices, the WREDA Board will guide the CEO and Senior Leadership Team to ensure WREDA operates both ethically and morally in meeting its compliance obligations with respect to New Zealand laws and regulations. The Board will undertake an annual review of how they are meeting their accountabilities and legal responsibilities based on established best practise guidelines.

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To ensure a safe and healthy work environment management has developed and maintains Health and Safety Management systems to:

- Set health and safety objectives and performance criteria for all work areas;
- Review health and safety objectives and performance annually;
- Actively encourage the accurate and timely reporting and recording of all accidents, incidents and hazards;
- Investigate all reported accidents, incidents and hazards to ensure all contributing factors are identified and, where appropriate, plans are formulated to take corrective action;
- Actively encourage the early reporting of any pain or discomfort;
- Participate in rehabilitation of employees to ensure an early and safe return to work;
- Identify all existing and new hazards and take all practicable steps to eliminate, isolate or minimise the exposure to any hazards;
- Ensure that all employees are made aware of the hazards in their work area and are adequately trained to enable them to perform their duties in a safe manner;
- Encourage employee consultation and participation in all matters relating to health and safety;
- Promote a system of continuous improvement in Health and Safety practices;
- Meet our obligations under the Health and Safety at Work Act 2015 and its associated regulations, codes of practice and any relevant standards or guidelines

A Health and Safety Report is prepared regularly for each Board meeting or Board Risk and Audit Committee. The Risk and Audit Committee also undertakes an annual deep dive review of management practices.

5.5 Harassment

WellingtonNZ is committed to maintaining a safe and discrimination-free environment that encourages respect for the dignity of each individual. We endeavour to maintain an environment free from harassment based on gender, race, colour, religion, national origin, ancestry, age, marital status, sexual orientation, pregnancy, physical or mental disability, or citizenship.

We are particularly aware of the risk of harassment of patrons at events that are managed in our venues. To that end we have evolved our Standard Operating Procedures to address this issue, including communications to patrons, specific training for staff on how to handle incidents, and incident response procedures.

5.6 People and Culture

We recognise that our people are at the centre of our business.

We are committed to creating a positive environment that allows our people to thrive personally and professionally, and which enables them to bring their full selves to the workplace.

Key initiatives which have started and will continue into 2021/22 include:

- Cultural Capability
- Leadership development programmes;
- A continued focus on improving engagement;
- A focus on diversity;
- Succession planning and readiness;
- Enhancing recruitment methodologies to ensure we attract the best candidates;

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- Enhancing our wellness offering, with a focus on all pillars of wellbeing;
- Embedding our flexible working policies, normalising the approach and acceptance of flexible practises;
- Embedding our values and behaviours:
 - Doing it together
 - Showing the passion
 - Finding the fun
 - Focusing on the customer
 - Daring to be different.

5.7 Operational Efficiencies

WellingtonNZ seeks continuous improvement in its operational management.

With all IT platforms now consolidated on the core WellingtonNZ system, our focus will move to enhancing these core systems to ensure we operate with the appropriate hardware and software for staff to operate in the most effective manner. We will also look to continue to find ways to share services with CreativeHQ as appropriate.

We continue to assess each purchasing decision and contract negotiation we make to ensure it is appropriate with a level of probity expected in the public sector. We will continue to enhance our environmental and climate considerations for all purchasing and operational practises.

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6. Financial Summary

STATEMENT OF FINANCIAL PERFORMANCE			
	2021/22	2022/23	2023/24
REVENUE			
Revenue from Shareholders	19,434,796	19,770,883	20,015,783
Other Revenue	7,943,255	10,272,581	12,161,906
TOTAL REVENUE	27,368,051	30,043,463	32,177,689
EXPENDITURE			
Cost of Goods Sold in SITE	25,000	27,500	30,250
Personnel Costs	12,771,155	13,955,434	14,126,320
Investment in Projects and Events	12,068,643	14,048,276	15,195,666
Other Expenditure	2,333,253	2,462,253	2,675,253
TOTAL EXPENDITURE	27,218,051	29,893,463	32,027,689
SURPLUS	150,000	150,000	150,000
STATEMENT OF FINANCIAL POSITION			
	2021/22	2022/23	2023/24
SHAREHOLDER FUNDS	2,850,000	3,000,000	3,150,001
ASSETS			
Current Assets	4,159,536	4,522,403	4,649,102
Investments	1,569,540	1,569,540	1,569,540
Other Non-Current Assets	1,215,627	1,914,420	1,806,015
TOTAL ASSETS	6,944,703	7,406,363	7,524,657
CURRENT LIABILITIES	4,094,703	4,406,363	4,374,656
NET ASSETS	2,850,000	3,000,000	3,150,001
STATEMENT OF CASHFLOWS			
	2020/21	2021/22	2022/23
OPENING CASH	3,500,000	4,060,000	4,410,000
Operating Cash Receipts	27,368,051	30,043,463	32,177,689
Operating Cash Payments	27,218,051	29,893,463	32,027,689
Other Receipts/Payments	410,000	200,000	- 100,000
NET CASHFLOW	560,000	350,000	50,000
CLOSING CASH	4,060,000	4,410,000	4,460,001

WREDA STATEMENT OF INTENT 2021-2024

Notes:

- Financial Summary is a consolidated view (Parent and Subsidiary - CreativeHQ)
- Revenue forecasts from our Shareholders are reflective of funding agreements in place.
- Other Revenue reflects revenue from third parties and commercial activity, and the revenue achieved by CreativeHQ resulting from its commercial activities.
- Investments represents the value of the investments from CreativeHQ in the companies that it incubates and retains a shareholding.

7. Risks to KPI achievement

There are several risks which could impact on the success of WellingtonNZ. Many of these are outside of our direct control, such as the impact of geo-political factors, changes to government policy settings, or macro-economic factors which impact on the economy as a whole (including pandemics and natural disasters).

In terms of being successful in our 3 key areas of focus and achieving our Key Performance Indicators, we note the following specific risks and how these will be mitigated:

Area of Risk	Risk Description	Mitigation
Reviews of Economic Development Activities	GWRC has indicated that it will be reviewing its role in Economic Development activities which may impact on its funding of WellingtonNZ.	<ul style="list-style-type: none"> • Continue to be actively involved in conversations with GWRC and WRS Committee on value from WellingtonNZ activities.
Availability of shareholder and partner funding	Partner funding is provided for a number of WellingtonNZ and CHO programmes of activities – from shareholders, and from other public and private sources. This funding is subject to agreements of various lengths and criteria which may or may not be renewed depending on a range of factors that may or may not be within WellingtonNZ's direct control.	<ul style="list-style-type: none"> • Ensure delivery is in line with partner expectations. • Maintain a regular schedule of communications with and reporting to partners. • Engage major partners in planning sessions to ensure programmes meet their expectations. • Review partner funding arrangements on a regular basis. • Seek new commercial revenue sources.
Scope of WellingtonNZ operations	WellingtonNZ has limited human and financial resources to allocate to the wide scope of activities that it is involved in or asked to be involved in.	<ul style="list-style-type: none"> • Ensure that resources are appropriately allocated to activities that contribute to the 3 key SOI focus areas and specifically to those activities which deliver projects and programmes of work that have tangible outcomes and impacts on the region. • Ensuring that interventions that are made are targeted and timebound and are in situations where there is a specific ability to create an impact or to kickstart an opportunity.
Health, Safety and Wellbeing	Given that a large part of WellingtonNZ's activity is operational – especially within the Venues Wellington operation – there are inherent health and safety risks which could impact on the wellbeing of our people.	<ul style="list-style-type: none"> • WellingtonNZ has an appropriate fit for purpose Health and Safety programme in place, which is governed by the WellingtonNZ Board.

WREDA STATEMENT OF INTENT 2021-2024

Venue Availability and Suitability	During much of this SOI period the St James Theatre will remain closed, and existing venues will be under pressure (including the MFC which will be impacted by the ongoing construction work on the Town Hall). We will therefore be working with constrained and aging venue inventory.	<ul style="list-style-type: none"> WellingtonNZ will work with WCC to ensure appropriate capex is allocated to renewals within existing venues so that they remain fit for purpose during this period. WellingtonNZ will work proactively with core hirers to find solutions that meet their needs, both within existing venues and other venues in the city. WellingtonNZ will communicate proactively with the market on the status of Venues.
Maintaining strong working relationships across the Wellington region	As an organisation that is invested in and works for the whole Wellington region it is critical that WellingtonNZ maintains appropriate stakeholder engagement processes	<ul style="list-style-type: none"> WellingtonNZ will work with both its shareholders and the other Councils within the region in a structured and proactive manner such that both elected officials and officers of these organisations are well informed of WellingtonNZ's programme of activities at all times. WellingtonNZ will participate in appropriate work groups across the Wellington region to support economic development activity.
Covid	Continued border restrictions impact student, tourist, and talent numbers required to deliver and sustain regional economic growth	<ul style="list-style-type: none"> Close cooperation with Auckland Unlimited, ChristchurchNZ and key business and education leaders to ensure Government is aware of the impacts of its decisions and consider all options to safely increase capacity at the border and enable increased numbers of students, tourists and skilled workers into the country
Access to Government funding	We are unable to access Government funding to support Covid recovery, our arts and innovation sectors and essential infrastructure investment	<ul style="list-style-type: none"> We will work with GWRC and the TAs to develop a regional economic plan and to build the relationships necessary to both align the region around specific priorities and to secure necessary funding
Technology sector growth	That we fail to seize the opportunities presented by our screen, VR, gaming and technology sector to grow export oriented businesses of scale	<ul style="list-style-type: none"> We will work across the sector to tell its stories and promote investment and collaboration. We will also work with CreativeHQ, the universities and CRI; and entrepreneurs and provide them with the skills and support necessary to build businesses of scale

In addition to the above, WellingtonNZ has a strategic and operational risk framework which is governed by the Risk and Audit Committee of the WellingtonNZ Board. To be successful we need to be well connected, trusted, well informed and action oriented.

WREDA STATEMENT OF INTENT 2021-2024

Appendices:

Appendix 1 - Governance and Accounting

WellingtonNZ is a Council Controlled Organisation as defined by the Local Government Act 2002. WellingtonNZ 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 meets 5 to 6 times a year. The Board has 2 sub-committees, Risk and Audit; and People & Culture.

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 WellingtonNZ 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 WellingtonNZ's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public. WellingtonNZ will adhere to a 'no surprises' approach in its dealings with its Shareholders and WRSC. It is anticipated that a new structure will replace the WRC during this SOI period. This is currently being discussed with the GWRC and the regional TAs.

Reporting

By 1 March in each year WellingtonNZ 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 WRS Committee 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, WellingtonNZ will provide to the Shareholders a **quarterly report**. The quarterly report will include WellingtonNZ'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, WellingtonNZ will provide to the Shareholders a **Half Yearly Report** complying with Section 66 of the Local Government Act 2002.

DRAFT SOI @ Feb21

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WREDA STATEMENT OF INTENT 2021-2024

By the end of September each year, WellingtonNZ will provide to the Shareholders an **Annual Report** on the organisations operations during the year. This will include audited financial statements prepared in accordance with New Zealand Generally Accepted Accounting Practice and that also comply with Public Benefit Entity 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.

Accounting Policies

WellingtonNZ has adopted accounting policies that are in accordance with New Zealand Generally Accepted Accounting Practices and Public Benefit Entity Standards. The detailed policies are as disclosed in WellingtonNZ's 2019/20 Annual Report.

DRAFT



**Statement of Intent and Business Plan
2021-22
Wellington Zoo Trust
Me tiaki, kia ora!**

Pursuant to Schedule 8 of the Local Government Act (2002)



Image of the Snow Leopard lower visitor viewing area from Architecture Workshop Developed Design drawings

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1. INTRODUCTION

Wellington Zoo is the Zoo with the biggest heart – a creative, innovative and progressive zoo which exists to create community value and to solve important social and environmental problems. We have local and global influence in animal welfare, sustainability initiatives, community engagement and conservation outcomes. We live by the kaupapa of **Me tiaki, kia ora!** This means that we **must** care for the planet so that life will thrive.

Wellington Zoo is one of the most sustainable zoos in the world. The World Association of Zoos and Aquariums inaugural **Environmental Sustainability Award** was awarded to Wellington Zoo in 2018. We believe that sustainability is an integral part of being an iconic organisation in our livable city, a city **where people live inclusively and sustainably**. 84% of residents surveyed by Wellington Zoo rate building a sustainable future as important to them. Our success as a cause-related business continues through prudent management and we work hard to be connected and accessible to our diverse community of all ages and cultures locally and beyond. 80% of residents surveyed rate spending time as a family as important to them. The animals who are cared for at Wellington Zoo are given the best lives possible and we take pride in being an **Animal Welfare Accredited Zoo** through the Zoo and Aquarium Association Australasia. 89% of residents surveyed rate animal welfare as important to them and 85% rate wildlife conservation as important to them.

Planned capital investment through upgrades and renewals will ensure the Zoo remains leading edge and we believe the introduction of animals, such as **Snow Leopards, Wellington Green Geckoes and Ring-tailed Lemurs**, allows us to tell both local and global conservation stories which will drive positive action for the environment within our community. 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.

In view of the pressure of City Council funds **we have reduced our Capital Upgrades bid** in the LTP by removing the Savannah Survival project that was included in the last LTP but we have requested additional \$300k pa for Renewals. Our plan is to keep the Zoo well maintained over the life of the LTP and use renewals to complete smaller projects such as Ring-tailed Lemurs and wombats. After Snow Leopards is completed we will not have any major Capital Upgrades in the LTP.

Wellington Zoo Trust Incorporated is incorporated under the Charitable Trusts Act 1957 and is a not for profit organisation.

2. CONTRIBUTION TO OUR CITY

Wellington 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 cause-related business with talented people, to the thriving cultural and natural heritage of Wellington as a liveable and sustainable 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 WellingtonNZ and other partners to ensure economic growth for our city. As previous winners of the Green Gold and Vibrant Gold in the Wellington Gold Awards and the Supreme Award winner of the Wellington Region Business Awards, we believe we are perfectly placed to add value to the economy of our region.

As always, we are more than willing to work with WCC or the other CCOs to drive strategic outcomes for the city. We are keen to share our knowledge in a leadership role or as a member of any team. We have experience in sustainability, visitor understanding, capital projects and safety that the city can draw on if required.

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.**
- **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 a vision for a sustainable city.**

3. STRATEGIC DIRECTION

Wellington Zoo's strategy 2019-23 integrates te ao Māori, the Global UN Sustainable Development Goals (SDGs) and the key strategic focus areas for the Zoo. The strategy outlines the strategic why, how, what approach we have taken, the SDG materiality undertaken with stakeholders and Toitū Envirocare and the te ao Māori approach completed with Neavin Broughton from Taranaki Whānui ki Te Upoko o Te Ika. The Wellington Zoo strategy is in line with Wellington City Council's 2040 Vision, Te Tauihu Te Reo Māori Policy; Te Māpihi Maurea Naming Policy and Te Atakura, First to Zero strategy.

The five-year strategy (below) blends the major outcomes for the Zoo into key areas - it embraces our role as an inclusive community organisation, the capital city Zoo and as an organisation that values its people. Using the inspiration of Atua and Māori concepts we are able to define our areas of focus over the coming years. It is an exciting vision for the Zoo and creates a strategic context for our kaupapa.

Wellington Zoo's strategy is about the Wellington Zoo of the 21st century and seeks to take us into a new realm, building on our success of the past few years. We will be using the Zoo's rebuilt physical platform to unlock the potential for Wellington Zoo to be seen as a leader and trusted voice in the conservation of species, engagement with community, excellence in animal welfare and sustainability outcomes. We have combined a global vision with local action so that we can be change makers for a better planet. This aligns with Council's Aho-Tini Strategy and vision for Wellington as a creative city.



As a sustainable organisation we must consider the UN Sustainable Development Goals (SDGs) in our approach. 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 best position to address many but not all. Sustainability is more than environmental initiatives and the SDGs frame that bigger picture.

The newly launched World Association of Zoos and Aquariums sustainability strategy, *Protecting Our Planet*, will inform and assist us in this work. We will focus on the SDGs listed in the above strategy under Whānau, as prioritised by our stakeholder engagement results.

To achieve our strategic direction we will be continuing our commitment to sustainability and our Toitū carbonzero certification continues with projects such as the solar power installation in as many Zoo buildings as we can. As a Toitū carbon zero certified organisation since 2013 we will continue to reduce our waste to landfill and work with officers to meet the **Regional Waste Management and Minimisation Plan** and the **Te Atakura, First to Zero plan**. As we seek to continually reduce waste to landfill we will be revisiting our contractual agreements in 2021-22 to find better solutions than we had in previous waste management contracts.

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 te ao Māori concepts reflect our intentions. Our Kanohi Kitea programme over the next five years and beyond will transform us into a bicultural organisation - as is expected of the capital city Zoo and will recognise the importance of Tikanga Māori in the way the Zoo works.



Core Business

The Trust will continue to provide the core business services that the Zoo has historically delivered to Wellington as part of our **Contract for Services** with Wellington City Council. 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; and

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 New Zealand's capital city Zoo we believe we should be providing a uniquely Wellington experience for families, school groups and other visitor groups from our region and across the country - quirky, fun, professional, creative and personal.

We always face challenges as a fixed cost organisation, especially in areas such as annual salary increases, cost increases from suppliers and other operational costs increases. We support the Living Wage ethos and all Wellington Zoo employees are paid at, or above, the Living Wage. This will be part of our ongoing remuneration strategy for the Trust.

We are well aware of the impacts of COVID-19 on our revenue and we have made adjustments to our experience offerings to negate this as much as possible. Our visitation is holding well, and we expect the new visitor experiences to drive revenue from local visitation and domestic tourism. We will be in our **rebuild and regenerate** phases of response to the COVID-19 crisis in 2021-22 and we plan to drive new business ideas to take us to pre COVID-19 levels by the end of 2022, such as new marketing ideas for our venues and functions bookings. New animal habitats for Snow Leopards, Lace Monitors and Ring-tailed Lemurs will help drive visitation in the 2021-22 year. Indications are that fundraising may be tighter in the coming three years but we will continue to work hard to raise funds as we can and we will be changing the catering model to have an exclusive caterer who can drive business.

Aligning with Council Strategy

The work of the Zoo supports the 2040 vision for our city – an inclusive, creative capital where people like to live – inclusively and sustainably. Wellington Zoo's strategy reflects the expected WCC community outcomes underpinning this vision- environmental, social, cultural and economic wellbeing. 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 Trust's strategic areas are aligned to:

Environmental Wellbeing

Our end game is to save wildlife and wild places, locally and globally. We have a global conservation remit. We strive to show thought leadership in global conservation and sustainability by involvement with global partners and by taking leadership roles in the world and regional zoo professional community. We are respected in the zoo profession for our success in sustainability and we are a leading example of conservation investment and on ground conservation outcomes.

In 2020 we launched our **Conservation Strategy**, aligned with our overarching strategy, which focuses on our conservation efforts, resources and investment until 2023. The Conservation Strategy reinforces *Me Tiaki, Kia Ora!* as our kaupapa and brings together conservation and sustainability for saving wildlife and wild places.

It sets out measurable actions in five areas: recognition and involvement of the Zoo's conservation expertise; effective field partnerships for long-term conservation outcomes; focused investment in conservation innovations; and integrating the UN SDGs.

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, endangered and vulnerable species we care for at the Zoo and those we support through our conservation programmes in the animal's range state. This plan is reviewed annually and redefined as we better align the animals we care for to the critical need in the wild.

The **field conservation programmes** for critically endangered, endangered and vulnerable 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; White-cheeked Gibbons through Fauna and Flora International, Vietnam; Cheetah through Cheetah Outreach; 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.

In late 2019 we launched our inaugural **local conservation grants** programme benefitting smaller conservation projects locally including: New management tools for small scale lizard conservation (Kāpiti); *Ex situ* conservation of *Dactylanthus taylorii* (Otari Wilton's Bush); Kohanga o Porokapa 2020 (Makara Peak); Trialling the world's first "no-dig" live capture trap for lizards (Wellington); Monitoring prevalence and distribution of *P. oppidanus* snail (Te Ahumairangi) and Chatham Islands Tāiko Conservation (Chatham Islands) – the Chatham Islands were included as they sit within the boundaries of the Rongotai electorate.

The **Nest Te Kōhanga**, our state-of-the-art veterinary hospital, works with a variety of indigenous species. Indigenous wildlife cases now make up 70% of the veterinary medicine case load – including many who are critically endangered. Our success in this area of successfully releasing injured indigenous wildlife back to the wild is above world standard for zoo veterinary hospitals and we take great pride in this achievement.

Climate Action is one of SDG focus areas for our strategy and we have already developed a Climate Action Position Statement and species such as Snow Leopards, which are climate change refugee species, enable us to tell the story of climate change and its impacts on the environment.

Social Wellbeing

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. Our visitor feedback is positive and people are enjoying the continual change in the Zoo.

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, so that many more people have access to the Zoo in the ways that best suit them. We have embraced accessibility for the whole community by investing in recommendations from Be:Accessible to improve the experience for all people. **This aligns with Accessible Wellington, The Accessible Journey Action Plan 2019.**

Programmes such as: The Warehouse Zoofari to support low decile schools in our region to have free transport costs and Zoo admission; LEOTC school discounted entry; free **Neighbours' Night** for our Newtown and Melrose locals in conjunction with City Housing and Newtown New World; other discounted entry opportunities ensure accessibility for a wider segment of the community. In post COVID lockdown period from mid-May to the end of June over 50,000 people were able to visit the Zoo at no cost, highlighting how important a visit to the Zoo is for Wellington locals and families.

Zoo Crew membership is continually increasing. This is a strategic aim for us as Zoo Crew provides an excellent value proposition for Wellington city ratepayers and residents who visit the Zoo often throughout the year. During our lockdown period last year, we extended all Zoo Crew memberships by the length of lockdown and our free-entry period. We know that Zoo Crew members visit on average four to five times per year (many individuals visit more often) so this offering makes a Zoo visit far more possible for many people.

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. **Our own school holiday programmes are well attended and many other external holiday programmes visit the Zoo as part of their offering to the community.**

We have over **70 volunteers** who give their time to help the Zoo achieve its outcomes. We value the assistance we receive from our volunteers and they feel they can add value to the community by being involved with the Zoo.

We have increased our charitable support this year to broaden accessibility. In addition to Ronald McDonald House and the Wellington Children's Hospital we have partnered with **Wellington City Mission and Change Makers Refugee Forum** to provide accessibility and support more broadly in the community.

Cultural Wellbeing

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 approximately 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. Our target market of families, young people and children are engaged in conservation and sustainability messaging and experiences at Wellington Zoo.

Wellington Zoo will continue to build its reputation as a **creative and innovative zoo** by including more opportunities for our visitors to experience multi-layered and multi-sensory 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.

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 (MOE). Over **10,000 school children** annually experience a learning session with our conservation education experts at Wellington Zoo.

The Ministry of Education 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. We are investigating ways for us to fund a Māori educator and our Kāhori Kitea programme will give our educators even more skills and knowledge to embrace multicultural outcomes.

Wellington Zoo's **Bush Builders** is a unique environmental literacy programme that helps children to 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. **Bush Builders** emphasises the importance of building habitats for animals. The importance of plants within the animal habitats as well as in the visitor space is reflected in the beautiful gardens and native plants throughout the Zoo.

Our **relationships and MoUs** with Massey and Victoria Universities, Department of Conservation, Zealandia, Ngāti Koata and Taranaki Whānui ki Te Upoko o Te Ika have enabled collaborative partnerships for conservation medicine, veterinary learning, animal welfare and visitor experience and learning.

Economic Wellbeing

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 100 people (82 FTE) and by being one of the largest employers in Newtown.

We contribute to the economic success of our **suppliers** from free range egg suppliers to architects. As a well-recognised Zoo we attract both **international and domestic tourists** and support the liveability objectives the city has for its citizens.

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 without further draw on the rate payers.

Snow Leopards

The completion of the Zoo Capital Programme (ZCP) in 2016 saw the Zoo transform itself into a vibrant attraction with facilities that meet modern standards. **We have not indicated any additional major Capital Upgrade investment for the new LTP being developed.** Investment of \$3.702 million of capital expenditure in year two to four of the current LTP is planned to upgrade facilities at the Zoo to accommodate Snow Leopards. Wellington Zoo will fundraise \$925,500 towards this project cost. We have already received funds towards this and progress is being made on the detailed design and demolition on site.

The Trust has been successful in obtaining grants from Trusts and Foundations for capital works, and we plan to seek this type of funding for the Snow Leopard project alongside other funding opportunities as appropriate. We have had success in fundraising for both smaller and larger capital projects, including raising more than the required 25% of the total capital expenditure for the ten year ZCP project through to 2015/2016. More recently we raised \$500,000 for the \$1.3 million Chimpanzee Park renewal project in 2017/2018, \$400,000 for the Giraffe habitat project renewal in 2019/2020, and \$100,000 for the Wellington Green Gecko Visitor experience and Te Hononga Tuatara Management facility in 2019/2020. We are confident the ongoing development of the Zoo through the LTP and our engagement with Trusts and Foundations, in addition to the support of our broader community, will ensure this fundraising success continues.

The Snow Leopard project is currently in its detailed design phase, with the design consultant team, Architecture Workshop. The interpretive designer, Story Inc, has developed the story line and interpretive elements. Work is now progressing with technical investigations, consenting and site preparations with construction starting in early 2021. Construction is projected to take up to 12 months, so Snow Leopards can be expected to be seen by Zoo visitors in 2022.

Capital Upgrades	19/20	20/21	21/22	TOTAL
Snow Leopards Snow Leopards are endangered in the wild and are a climate change refugee species, with a population of less than 4,000 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 direct conservation action.	308,000	1,677,000	1,717,000	\$3.702m Included in the LTP



Snow Leopard cubs we are to receive
from Melbourne Zoo



Image of the lower visitor viewing area from
Architecture Workshop Developed Design drawing

Renewals

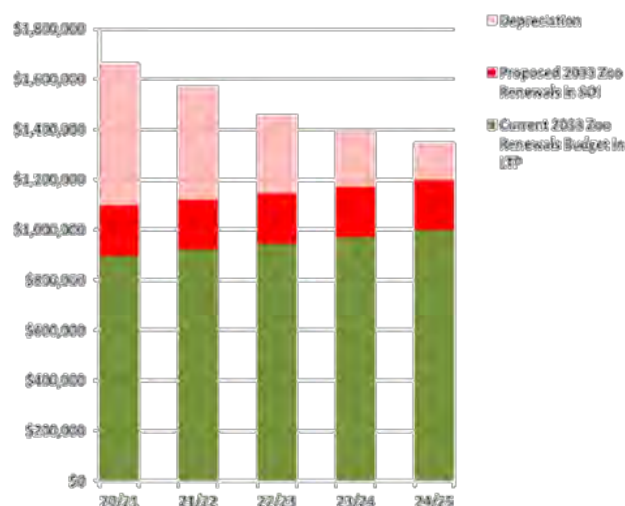
The renewals budget allows us to maintain a resilient asset for the city. We have given the Renewals budget precedence in the coming LTP as we know that reasonably small, enhancing changes can give us excellent animal, staff and visitor outcomes.

The Zoo is developing a detailed Asset Management Plan (AMP) linked to WCC AMP processes to ensure the ongoing maintenance and renewal of the Zoo asset and that we are executing our obligations under the **Contract for Services**. The AMP will enable the Zoo to: manage asset lifecycles for a whole-of-life approach with due consideration given to WCC and Zoo joint objectives; provide assurance of funding required to cover existing and future asset renewals and avoid critical failure of ageing infrastructure assets; update any assets not fit for purpose from an animal welfare standard; and resolve any potential Health and Safety issues and the associated reputational risk these issues could bring.

To date, we have completed a realignment of the Zoo's existing assets into the WCC asset structure which will improve ongoing detailed financial reporting for the Zoo asset for WCC officers. We will continue to work with WCC officers to develop our detailed asset management plan in line with Council processes for asset renewals, business continuity and earthquake resilience in readiness for the Council Long-Term Plan development.

One of the challenges of maintaining the Zoo asset is the variable lifecycle ages of structures and animal habitats. As our knowledge of the animals in human care increases, previous habitats and animal care and welfare practices become outdated. Zoos' internationally now consider 20 years to be too long and in global experience it is more realistic to plan for a **ten-year life expectancy** for zoo animal habitat assets.

The Trust's position is that the current infrastructure renewals budget is insufficient to cover required asset renewals. In the 2017/18 SOI we estimated additional funding of \$300k per annum was required to assist a programme of asset renewals, including animal habitats, visitor areas and pathways, buildings and essential plant and equipment.



The shortfall in the graph (above in red) indicates the propensity of the Zoo to achieve a total AMP result. In terms of maintaining current levels of service, this shortfall could result in a failure of ageing infrastructure assets, meaning assets are not fit for purpose, and could create potential H&S and animal welfare issues. We are working with the WCC Asset project team to develop a detailed AMP, along with the revaluation and condition rating of the current asset. This will allow the Zoo and WCC to interrogate the reported shortfall in greater detail, focusing on critical assets as a priority.

Working with WCC officers, we intend to carry out revaluation and condition rating of all Zoo assets in line with Renewals requirements. The significant planned Renewal projects for the next three years are:

- **Ring Tailed Lemur habitat** - endangered species which will tell the Madagascar story in the Africa precinct - to be completed April/May 2021
- **Lace Monitor Habitat** - iconic Australian animal which will be the introductory species for the *Neighbours* precinct - to be completed July/August 2021
- **Southern Hairy Nosed Wombat Habitat** - endangered species and iconic Australian animal in the *Neighbours* precinct
- **Green Zoo, Green You refurbishment** – emphasis on Climate Action messaging and action
- **Staff Office and Wellbeing improvements** - as our staff numbers grow the requirement is becoming more pressing for better staff office areas, accommodation and break spaces
- **Sustainability Improvements** – supporting water and electricity independence and asset resilience
- **River Trail & Gibbon Viewing** – improving the entry precinct of the Zoo and improved viewing of the Monkey Island areas
- **Perimeter Fence & Security** – to complete the fence renewal and improve security coverage for the Zoo site
- **Venues improvements** – to Kamala's, Archibald Centre and Wild Theatre to provide a wider range of venue offerings and improve the Zoo's financial sustainability
- **Electronic admissions access** - to electronically capture visitor numbers to the Zoo
- **Earthquake prone buildings** – removal of and improvements to earthquake prone buildings and walls

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.

WCC Performance Measures					
Measure	Frequency of Measure	Target 21-22	Target 2022-23	Target 2023-24	Notes
Visitors	Quarter*	254,000	255,000	256,000	
Student and education visits	Annual	20,000	21,000	21,500	Conservation education programmes and student self-guided visits.
Council operating grant per visitor	Annual	\$14.16	\$14.51	\$14.86	
Full cost to Council	Annual	<i>Not available from Council for Draft SOI</i>	<i>Not available from Council for Draft SOI</i>	<i>Not available from Council for Draft SOI</i>	This target is generated by Council and is not controlled by the Trust. It includes depreciation and shared services costs, CCO team costs, insurance, CAPEX interest and the OPEX grant.
Trading Revenue per visit (exc. grants and interest)	Annual	\$17.57	\$18.00	\$18.28	
Non-Council donations and funding	Annual	\$387k	\$324k	\$324k	Non-Council operational grants, donations, sponsorships and bequests. This target does not include any capital funding.
Percentage of operating costs generated by the Trust	Annual	57%	57%	57%	
Trust generated income as percentage of the Council grant	Annual	135%	133%	132%	

***Target Visitor Numbers by Quarter 2021-22**

Q1	Q2	Q3	Q4	Total
49,304	66,626	68,451	69,619	254,000

Additional Zoo Performance Measures					
Measure	Frequency of Measure	Target 2021-22	Target 2022-23	Target 2023-24	Notes
Measure visitor feedback and satisfaction	Annual	8.5	8.5	8.5	This target is based on the overall experience rating which is measured out of ten.
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo	Annual	25	25	25	
Percentage of indigenous animals released to the wild after triage and treatment by The Nest Te Kōhanga (TNTK)	Annual	50	50	50	Post 72-hour triage period.
Percentage of OPEX directly contributed to field conservation	Annual	7%	7.5%	8%	This measure uses the Zoo Aquarium Association (ZAA) Australasia Framework to measure direct contributions to field conservation.
Number of field conservation projects supported for vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo	Annual	12	12	12	
Participate in zoo-based research projects, scientific papers and presentations	Annual	10	10	10	These projects are directly related to conservation medicine, biological sciences, animal husbandry, animal welfare science and visitor engagement research.
Maintain Zoo and Aquarium Association animal welfare accreditation	Annual	Achieved	Achieved	Achieved	
Maintain Toitū carbonzero certification	Annual	Achieved	Achieved	Achieved	
Implementing <i>Kanohi Kitea</i> cultural competency programme	Annual	Achieved	Achieved	Achieved	New measure linked to the implementation of this bicultural competency programme.
Safety Improvement Team meeting attendance	Annual	80%	80%	80%	Measured against those staff available to attend meetings.
Successful emergency drill/incident debriefs held	Annual	8	8	8	Debriefings delivered to Zoo staff following emergency drills, trial evacuations and real incidents.
Volunteer engagement survey	Annual	1	1	1	This annual survey measures the satisfaction levels of those volunteering across the organisation.
Staff recognition programme	Annual	1	1	1	This measure refers to the year-long recognition of staff excellence at full staff meetings and culminates in the annual staff awards event in September.
Staff learning and development sessions held	Annual	10	10	10	In house learning opportunities from both internal and external speakers.

5. APPROACH TO GOVERNANCE

Wellington Zoo Trust is a Council-Controlled Organisation (CCO) 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.

Wellington Zoo always publicly acknowledges Council's contribution to the Zoo as much as possible. We are grateful for Council support and seek to acknowledge this at events, animal habitat openings and other appropriate opportunities.

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; and
- 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>)	31 December 2023
Raewyn Bleakley	31 December 2021
Nina Welanyk Brown	31 December 2021
Fleur Fitzsimons	20 October 2022
Michael Potts	31 December 2022
Ben Bateman	30 June 2023

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 Wellington City Council Chief Executive on the Board review and outcomes by 30 September 2021.**

Board Skills Matrix

This matrix will be provided separately by March 31, 2021 and updated annually.

6. HEALTH, SAFETY AND RISK

Wellington Zoo Trust Board 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 (H&S) is currently managed via the GM Safety, Assets and Sustainability 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 Strategic Management Team (SMT) and by the Board at their regular meetings. An Annual H&S action plan is developed with the SMT and progress is reviewed against these actions at each Board meeting.

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.

The Zoo's **Risk Matrix** highlights the criticality of maintaining a resilient asset for the City. Impacts of a natural disaster, serious incidents and reputational falter are all potential risks if we are not able to adequately manage or resource the asset management programme and appropriately fund the renewals programmes sufficiently.

Risk Analysis & Mitigation Plan for Wellington Zoo Trust

Risk Identification	Uncontrolled Risk			Risk Mitigation	Risk after Mitigation			Accountability	Responsibility
	Probability	Impact	Risk Value		Probability	Impact	Risk Value		
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, a tactical marketing and communications plan implemented. Internal communications plans enacted.	0	6	6	CE & Board	Board, SMT
Loss of business due to extreme or prolonged event, eg pandemic, terrorism, civil unrest, climate change event, prolonged inclement weather	-1	7	6	Implement tactical marketing and pricing. Implement a targeted communications plan. Emergency logistics, animal management and procurement plans put into effect. Review and revise budgets, reduce spending and investigate new revenue raising initiatives. Strong relationship management with WCC. Internal communications plans enacted. See also Business Continuity Plan.	-1	6	6	CE & Board	Board SMT
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, Communications Plans 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 of staff and contractors. Monitor competency of staff and contractors. Two keeper system in place. Board and SMT site reviews.	-3	7	4	CE & Board	Board, SMT
Infectious disease impact on animals	-1	6	5	Health & Safety Management Plan. EPA/MPI policies. Infectious Diseases Policy. Veterinary protocols and pre-import and pre-export screenings. Animal Human Interaction protocols. Communication Plan.	-2	6	4	CE & Board	Board GMAC&S, GMSAS
Attraction and retention of key staff	-1	6	5	Learning and Development strategy and opportunities. Career progression initiatives such as the Learning and Development Framework. HR Policies & Remuneration Policy. Review Remuneration strategy. Engagement through shared values. Employee Experience Journey protocols, eg advertising, induction.	-2	6	4	CE & Board	Board CFO
Reputation Falter	-1	6	5	Communications protocols to communicate with key stakeholders, media and community. Strong relationship management with partners and stakeholders eg, DOC, MPI, WCC. Animal Welfare Accreditation. Euthanasia Policy. Code of Conduct, Media Relations Policy. Electronic Communications and Internet Usage Policy. Use of Social Media Policy. Disciplinary Policy. H&S Policy. Seek appropriate and timely advice.	-2	5	3	CE & Board	Board, SMT
Withdrawal or significant reduction of support or unfunded compliance costs from WCC	-2	7	5	WZT Statement of Intent. WCC 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. Reporting at relevant WCC Committee meetings. Relationships developed between relevant officers across WCC and related Zoo portfolio managers. Regular reporting on Zoo-based activities.	-3	4	1	CE & Board	CEBoard
Loss of Business Due to Economic Downturn	-1	5	4	Operating environment evaluated annually. Tactical marketing and pricing put into effect and tempered by prudent financial management.	-1	4	3	CE & Board	CE Board
Inability to source and import animals	-1	5	4	Zoo Species Plan continually updated. Animal Science Manager responsible for sourcing animals. Strong relationships with ZAA and WAZA members and with other zoos around the world to source animals through programmes such as ASMP. Strong relationship management with DOC, MPI and EPA.	-2	5	3	CE & Board	Board GMAC&S
Cyber-Security Failure / Privacy Breach	-1	5	4	WCC ICT system and policies eg, secure password management. Review third-party providers to ensure they have robust cyber-security systems, policies and procedures in place - particularly storage of sensitive information and payment protocols.	-2	5	3	CE & Board	Board GMB&P CFO
Animal Welfare compromised	-2	6	4	ZAA Accreditation evaluates the Zoo's animals' welfare state. Husbandry Manuals and SOPs regularly reviewed and updated. Governed by WZT Animal Welfare Committee. Animal Care & Science team development, recruiting and retaining skilled staff.	-3	5	2	CE & Board	Board GMAC&S
Utilities Infrastructure Loss and Failure	-1	4	3	WZT Business Continuity Plan. WCC Business Continuity Plan. Minor Works programme to ensure maintenance up to date. Connection to WCC systems where appropriate to utilise WCC back-up systems.	-1	3	2	CE & Board	Board SMT
Project Design, Development and Delivery Risk	-1	5	4	Project Management Process as agreed with the Board. Follow procurement processes for engaging Consultants and Contractors. Regular progress meetings to maintain projects on time and within budget. Regular reporting to the Board on capital and renewals projects.	-3	5	2	CE & Board	BoardGMSAS
Inappropriate procurement processes followed	-2	6	4	Procurement Policy. Delegations Policy. Register of Interests. Delegations for approvals. Board approval process for capital procurement and WCC signoff for Capital Procurement for major capital projects.	-3	4	1	CE & Board	Board CFO
Fraud and Theft	-1	5	4	CCTV at front entrance monitored weekly by SMT members and Sales and Services Manager. Code of Conduct. Financial management procedures. Daily banking checks by Finance and Administration Advisor with written procedures for following up variances. Annual audit by Audit NZ. Pre-employment Criminal checks.	-2	3	1	CE & Board	Board GMBP/CFO
Security Breach / Vandalism	-1	4	3	CCTV System and Security Alarms in all our buildings and where applicable in animal areas. Weekly perimeter checks. Maintenance of Perimeter Fence. Routine nightly security checks. After hours doors and security gate monitoring.	-2	3	1	CE & Board	Board GMSAS





Risk Analysis Scale

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 and Accounting Policies included.

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 \$3,595,815 operational funding in the *current* Long-Term Plan.

The Board acknowledges the \$920,486 included in the *current* Long-Term Plan for Zoo Asset renewals for 2021-22. However, we note that in the full cost of the Zoo measure calculated by WCC, depreciation for the Zoo asset is running at \$1.66m pa in 2020/21. This is considerably more than the renewals funding we receive. We have had ongoing discussions in this regard and our LTP bid for additional Renewals funding indicates the urgency we place on this request. We believe that 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 10-20 years.

The Board acknowledges the \$1,717,000 included in the *current* Long-Term Plan for the Snow Leopard Project in 2021-22.

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

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 re-negotiated to 30 June 2021. Ongoing funding for the Trust has been approved in the 2018/2028 Long Term Plan. The Trust has made a further going concern assessment in Note 20.

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 Trust meets this criteria as is not a large public sector entity with total expenses \geq \$30million and is not publicly accountable.

The reporting period for these financial statements is for the year ended 30 June 2020. The financial statements were authorised for issue by the Board of Trustees on 21 August 2020.

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with 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

Debtors 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 includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months.

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.

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 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.

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 terminate employment. 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.

Revenue in Advance

The Trust has received non-exchange funds for specific purposes with conditions that would require the return of the monies if the Trust is not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditions are fulfilled over time.

The Trust has received non-exchange funds which apply to periods beyond the current year with conditions that would require the return of the monies if the Trust is not able to fulfil 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.

Animals

In accordance with customary practice among Zoological organisations, animals are not recorded as there is no objective basis for establishing value. Additionally, animals have numerous attributes, including species, age, sex, relationship and value to other animals, endangered status and breeding potential whereby it is impracticable to assign value. Expenditure related to animal acquisitions is expensed in the period of acquisition.

Equity

Equity is the residual interest in the Trust and is measured as the difference between total assets and total liabilities. The components of equity are accumulated surpluses and deficits and restricted funds (special funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use whether under statute or accepted as binding by the Trust because of the specific reason for which the funds were provided. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

Statement of Cash Flows

The statement of cash flows is prepared using the direct approach. Operating activities include cash received from all revenue sources of the Trust and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to transactions that change the equity and debt capital structure of the Trust.

Related Parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include Wellington City Council, key management personnel and the governing body (Trust Board).

Trustees' remuneration is any money, consideration or benefit received receivable or otherwise made available, directly or indirectly, to a trustee during the reporting period. The disclosures for the Trust include the remuneration of the Trustee board as they occupy the position of a member of the governing body of the Trust.

Changes to Accounting Policies

There have been no changes in accounting policies this year.

9. FORECAST FINANCIAL STATEMENTS

CCO: Wellington Zoo Trust Business Plan 2021/22		\$NZ000's						
Estimate 30-Jun-21	EARNINGS STATEMENT	Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	Total YE 30-Jun-22	Total YE 30-Jun-23	Total YE 30-Jun-24
	Revenue							
4185	Trading Income	979	1275	1124	990	4,368	4,960	4,550
3494	WCC Grants	899	899	899	899	3,596	3,700	3,805
842	Other Grants	24	21	21	21	147	84	84
211	Sponsorships and Donations-Operational	60	60	60	60	240	240	240
54	Sponsorships and Donations-Capital	0	0	0	0	0	-	0
13	Investment Income	3	2	3	2	10	20	20
99	Other Income	11	32	27	26	96	130	130
8,898	Total Revenue	2,056	2,289	2,134	1,998	8,457	8,634	8,829
	Expenditure							
6,092	Employee Costs	1,533	1,533	1,533	1,533	6,132	6,220	6,329
2,344	Other Operating Expenses	558	590	592	585	2,325	2,414	2,500
0	Depreciation	0	0	0	0	0	0	0
0	Interest	0	0	0	0	0	0	0
558	Vested Assets/Restricted Funds spend	0	0	0	0	0	0	0
8,994	Total Expenditure	2,091	2,123	2,125	2,118	8,457	8,634	8,829
(96)	Net Surplus/(Deficit) before Taxation	(35)	166	9	(120)	0	0	0
0	Taxation Expense	0	0	0	0	0	0	0
405	Operating Surplus (Deficit)	(35)	166	9	(120)	0	0	0
(96)	Net Surplus/(Deficit)	(35)	166	9	(120)	0	0	0
4.6%	Operating Margin	-3.7%	7.3%	0.4%	-6.0%	0.0%	0.0%	0.0%

Estimate 30-Jun-21	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-21	As at 31-Dec-21	As at 31-Mar-22	As at 30-Jun-22		As at 30-Jun-23	As at 30-Jun-24
	Shareholder/Trust Funds							
0	Share Capital/Settled Funds	0	0	0	0		0	0
0	Revaluation Reserves	0	0	0	0		0	0
1,176	Restricted Funds	1,176	1,176	1,176	1,176		1,176	1,176
250	Retained Earnings	195	361	370	250		250	250
1,426	Total Shareholder/Trust Funds	1,371	1,537	1,546	1,426		1,426	1,426
	Current Assets							
2,816	Cash and Bank	3,509	2,770	3,521	2,502		2,500	2,520
150	Accounts Receivable	150	150	150	150		150	150
102	Other Current Assets	100	100	100	100		100	100
3,068	Total Current Assets	3,759	3,020	3,771	2,752		2,750	2,770
	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							
0	Fixed Assets	0	0	0	0		0	0
0	Other Non-current Assets	0	0	0	0		0	0
0	Total Non-current Assets	0	0	0	0		0	0
3,068	Total Assets	3,759	3,020	3,771	2,752		2,750	2,770
	Current Liabilities							
742	Accounts Payable and Accruals	782	600	650	650		700	750
	Provisions						0	0
900	Other Current Liabilities	1,600	853	1,575	676		624	594
1,642	Total Current Liabilities	2,382	1,453	2,225	1,326		1,324	1,344
	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
1,426	Net Assets	1,371	1,537	1,546	1,426		1,426	1,426
1.9	Current Ratio	1.6	2.0	2	2.1		2	2.1
46.9%	Equity Ratio	36.5%	50.9%	41.0%	51.8%		51.9%	51.5%

Estimate 30-Jun-21	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	Total YE 30-Jun-22	Total YE 30-Jun-23	Total YE 30-Jun-24
	<i>Cash provided from:</i>							
4,185	Trading Receipts	979	1,335	1,124	990	4,368	4,460	4,550
3,484	WCC Grants	1641	0	1641	0	3,282	3,700	3,805
842	Other Grants	84	21	21	21	147	82	82
265	Sponsorships and Donations	60	60	60	60	240	240	240
13	Investment Income	3	2	3	2	10	20	20
99	Other Income	11	32	27	26	96	130	130
8,898		2,778	1,390	2,876	1,099	8,143	8,632	8,827
	<i>Cash applied to:</i>							
6,092	Payments to Employees	1,333	1,333	1,333	1,333	6,132	6,230	6,329
2,344	Payments to Suppliers	538	590	590	585	2,325	2,414	2,478
	Net GST Cashflow					0	0	0
538	Other Operating Costs (VESTING)			0	0	0	0	0
	Interest Paid	0				0	0	0
8,994		2,091	2,123	2,123	2,118	8,457	8,634	8,807
(96)	Total Operating Cash Flow	687	(733)	751	(1,019)	(314)	(2)	20
	Investing Cash Flow							
	<i>Cash provided from:</i>							
	Sale of Fixed Assets					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
	<i>Cash applied to:</i>							
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	0
0	Total Investing Cash Flow	0	0	0	0	0	0	0

Estimate 30-Jun-21	STATEMENT OF CASH FLOWS (CONT)	Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	Total YE 30-Jun-22	Total YE 30-Jun-23	Total YE 30-Jun-24
	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
(96)	Net Increase/(Decrease) in Cash Held	687	(733)	751	(1,019)	(314)	(2)	20
2,812	Opening Cash Equivalents	2,816	3,903	2,770	3,531	2,816	2,502	2,500
2,816	Closing Cash Equivalents	3,503	2,770	3,521	2,502	2,502	2,500	2,520

Estimate 30-Jun-21	CASH FLOW RECONCILIATION	Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	Total YE 30-Jun-22	Total YE 30-Jun-23	Total YE 30-Jun-24
408	Operating Surplus/(Deficit) for the Year	(53)	166	9	(120)	0	0	0
0	Add Non Cash Items							
(304)	Depreciation	0	0	0	0	0	0	0
(96)	Other (Restricted Funds movement)	(55)	166	9	(120)	0	0	0
	Movements in Working Capital							
150	(Increase)/Decrease in Receivables	0	0	0	0	0	0	0
(13)	(Increase)/Decrease in Other Current Assets	2	0	0	0	2	0	0
197	Increase/(Decrease) in Accounts Payable	40	(182)	50	0	(92)	50	50
(332)	Increase/(Decrease) in Other Current Liabilities	700	(717)	692	(899)	(224)	(52)	(30)
0		742	(899)	742	(899)	(314)	(2)	20
	Net Gain/(Loss) on Sale:							
	Fixed Assets	0				0		
0	Investments	0				0		
		0	0	0	0	0	0	0
(96)	Net Cash Flow from Operations	687	(733)	751	(1,019)	(314)	(2)	20

Estimate 30-Jun-21	STATEMENT OF CHANGES IN EQUITY	As at 30-Sep-21	As at 31-Dec-21	As at 31-Mar-22	As at 30-Jun-22		As at 30-Jun-23	As at 30-Jun-24
	<i>Equity Opening Balances</i>							
242	Accumulated Comprehensive Revenue and Expense	250	195	361	370		250	250
1,280	Restricted Funds	1,176	1,176	1,176	1,176		1,176	1,176
1,522	Total Equity Opening Balance	1,426	1,371	1,537	1,546		1,426	1,426
	Comprehensive Revenue							
408	(Deficit)/Surplus for the year to retained earnings	(55)	166	9	(120)		0	0
408	Total comprehensive revenue	(55)	166	9	(120)		0	0
	<i>Equity Closing Balances</i>							
250	Accumulated Comprehensive revenue and expense	195	361	370	250		250	250
1,176	Restricted Funds	1,176	1,176	1,176	1,176		1,176	1,176
1,426	Total Equity-Closing Balance	1,371	1,537	1,546	1,426		1,426	1,426



Craig Ellison
Board Chair, Wellington Zoo Trust



**Wellington Regional Stadium Trust
Draft Statement of Trustees Intent
For the year ending 30 June 2022**

Registered Office: Sky Stadium
105 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. The Settlers 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 2021



1. INTRODUCTION

The financial year ending 30 June 2022 has the potential to be a very active year but is heavily reliant on open borders from Q2. The Trust remains optimistic of a vibrant event calendar when borders eventually reopen. The 2021/22 period will remain heavily impacted by the challenges caused by the pandemic. Although the financial and operating impacts of Covid-19 will still be around for much of the coming year, the Trust has a better understanding of the impacts than it did a year ago.

Matters raised in Letters of Expectation from both the Wellington City Council and the Wellington Regional Council are addressed in the Statement of Intent.

Covid-19 remains an ongoing and acute risk to the business given that the stadium can only operate in Alert Level 1 with no restrictions on gatherings. Guns n' Roses is booked for November 2021 and the Trust expects to host an All Blacks rugby test match. All of this is dependent on Wellington remaining in Alert Level 1 with no restrictions on public gatherings.

Event enquiries, particularly for concerts have been strong for the summer of 2021/22, but again this will depend on the ongoing management of the pandemic, the worldwide rollout of the vaccination programme, and easing of New Zealand's border restrictions.

With the ongoing Covid-19 related disruptions to borders and events, the outlook remains challenging and uncertain, but the Trust remains committed to keeping the Stadium in event ready mode, and able to host a variety of events.

This means uncertainty around revenue streams. 85% of the Trust's revenues are linked to events; either directly (rentals, catering, event parking, hospitality) or indirectly (memberships, box licenses, sponsorship). In a normal year, at this stage of planning, the Trust would have significantly greater certainty around its event calendar for the coming twelve months.

Despite these challenges the Trust has continued work on major infrastructure projects to enhance the Stadium facility and experience, and to improve the resilience of the facility. In 2021/22 the Trust intends to continue to invest in the facility. The building is now 21 years old and requires increasing investment in preventative maintenance. The concourse upgrade is near completion. In 2021/22 the priority will be to recoat the concourse floor and install digital displays through the retail areas.

Seismic strengthening work continues on the Fran Wilde walk and in the coming year the Trust will finalise its plans to provide additional resilience to the Stadium building. The Trust has requested that financial support from the Settlers be considered as part as their Long Term Plans.

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 WellingtonNZ. Wellington is in a good position to emerge as a revitalised events capital of New Zealand and the Trust is very keen to play a strong role in this. Since the Stadium opened in 2000 over 2.5m million people have attended events here from outside the Wellington region, spending over \$1.3bn. We encourage our settlers to consider the events sector as a key platform for economic recovery.



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 strives to meet 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. This has not been possible in 2019/20 and 2020/21 due to the challenges created by the pandemic.

b) OPERATING ENVIRONMENT INCLUDING COVID-19 ENVIRONMENT

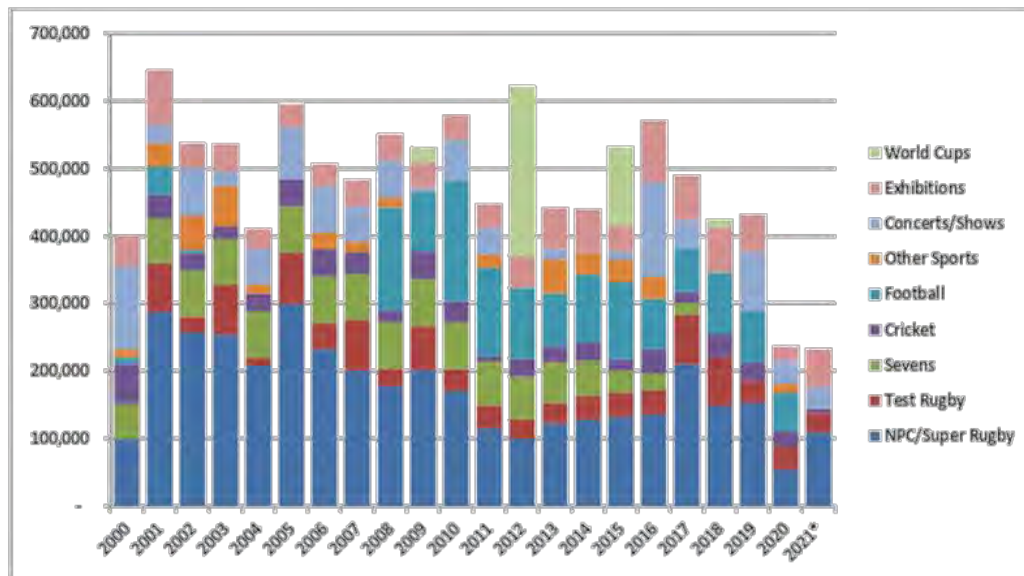
The operating environment remains extremely challenging. Attendances and event days for the 2020 and 2021 financial years are less than half the long term average.

Prior to Covid-19 the Stadium boasted a strong events calendar. The events outlook for 2020/21 was very positive pre-pandemic. The success of recent concerts such as Eminem and Queen + Adam Lambert had reaffirmed Wellington as one of the premium major concert cities in New Zealand. The positive news is that promoter interest in hosting major events remains strong and we remain optimistic of securing major events in 2021/22 should the opportunity present itself. The Trust works in close partnership with WellingtonNZ to secure events.

The Trust intends to continue scheduled capital expenditure including seismic upgrades and completing the remainder of the concourse upgrade. The Trust has flagged with Settlers' risks around these projects due to affordability and has requested consideration of support in the Long-Term Plan process in either the current period or the following one. Further capital investment is likely to be beyond the means of the Trust for the foreseeable future.

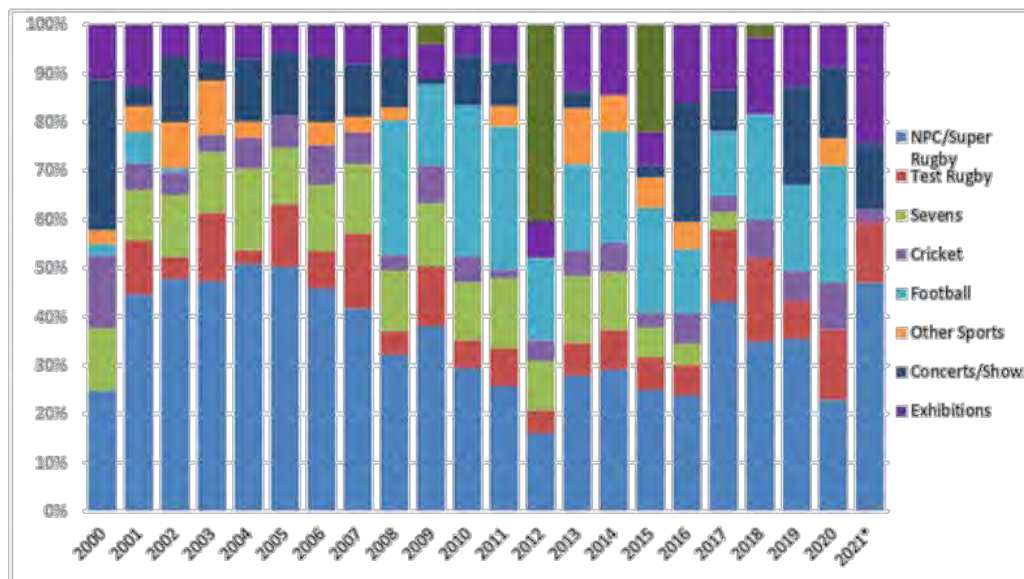


The following table highlights annual crowds by event type since the Stadium opened. The chart shows the stark reality of the impact of Covid-19.



*2021 estimate

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.



*2021 estimate



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 undertakes a strategic planning day in March of each year to reassess priorities and strategic direction.

2. 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, 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

For the 2021/22 year the Trust's focus is on the following areas as outlined in the Letters of Expectations:

Environmental Wellbeing

This section covers areas raised in the letters of expectations including waste Minimisation, Te Atakura First to Zero Policy and Carbon neutrality.

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.

Over the past two years year, the Trust has been investigating and implementing new waste minimisation and sustainability practices suitable for the venue. The key aim of this work has been to reduce the amount of waste generated at events and to redirect the waste that is generated away from landfill.

Recently the Trust has introduced the following processes:

- PET volumes being sent directly to Flight Plastics have risen due to new processes being implemented by our onsite cleaning team. Cleaners are removing all recycling from clear plastic bags, sorting recycling on site, removing PET and putting in bags for Flight Plastics. This process has reduced our recycling volumes as we have removed dead space in the bins, caused by the bags being full of air.
- All empty clear bags that are used for events are recycled.
- Introduction of clear soft plastics and pallet wrap recycling.
- E-Waste Recycling through RemarkIT.

Considerable progress has been made on reducing waste to landfill. On average 75% of waste generated is recycled or composted. We believe we can increase that further in coming years.

The next key focus for this piece of work is on the cups that used to serve beer and wine in. The Trust has considered several alternatives over the last year and work is ongoing. The current cups used at Sky Stadium are single use cup made from PET (1) plastic. These cups are all recycled locally in Wellington by Flight Plastics. Our long-term preference is a solution that can be shared across venues and events in Wellington and work continues on this.

In the coming year the Trust will commit to determining what would be required to be a carbon neutral venue. It already reports emissions to the Wellington City Council. The Trust would be keen to work with both our Settlers to understand its plans and how the Stadium can be incorporated into them.



Social and Cultural Wellbeing

One of the key objectives of the Trust is to be viewed by the residents of the region and other stakeholders as a valued and essential asset.

The Stadium is a true multi-purpose venue, and the range of events ensures there is something for all Wellingtonians to enjoy in any given year. Two areas of priority for the Trust have been on inclusivity and accessibility.

There have been several conversations between Stadium management and the Wellington City Council, as to how the Stadium can demonstrate its support for the Te Reo Māori Strategy – Te Tauihu. With the rebrand to Sky Stadium, the Trust has taken the opportunity to replace all wayfinding and introduce bilingual signage in English and Te Reo Māori throughout the venue. The Trust's appointed signage designers have utilised the design principles as outlined in the Te Puni Kōkiri Bilingual Signage Guidelines.

More recently the Trust launched public loudspeaker messaging in both Te Reo and English. The bilingual entry and safety messaging plays over loudspeakers on the Fran Wilde Walkway as fans make their way into the stadium. The initiative is a collaboration between WellingtonNZ, Sky Stadium and the Māori Language Commission.

The opportunity to integrate Te Reo into the Stadium's signage and messaging is a necessary step toward a stronger cultural engagement and we are keen to support the Councils in strengthening those relationships.

The Trust fully supports the Accessible Wellington action plan.

The Stadium has a Gold rating for accessibility as awarded by Be.Lab (formerly known as Be.Accessible).

The Trust held an accessible workshop for staff earlier this year with the aim to be a role model and lead in inclusive and accessible practices in venues.

We intend to conduct community stakeholder consultation in the next year, working alongside Be. with the aim of applying for Platinum status.

Economic Wellbeing

In our first twenty years over 10.2 million people have attended 700 events at the Stadium over 830 event days. Of these attendees, almost 2.4 million people came from outside the Wellington region.

Over the 20 years the Stadium has been open the direct expenditure in the Wellington region by these visitors has been \$1.3 billion.

The Trust's continued focus lies particularly on those events that will fill the Stadium and generate economic return for the region. The Stadium has contributed to the post lockdown recovery through providing a variety of events for residents and visitors to the region to attend. These included an All Blacks Test match, Super Rugby Aotearoa, Mitre 10 Cup rugby and a wide range of exhibitions. The Stadium also hosted 32,000 fans at the recent SIX60 concert, the largest concert anywhere in the world in nearly 12 months.



The Trust has taken a commercial approach to attracting events over the last five years, putting skin in the game with event promoters and owners. Major events such as the Cricket World Cup, the Edinburgh Military Tattoo, the FIFA intercontinental play-offs, moving to two Rugby Test matches in most years and a string of successful concerts have delivered tens of millions of dollars of economic benefit to the city and the region. All Blacks test matches bring up to 15,000 out of region visitors to our region. The Eminem concert generated 28,000 out of region visitors.

Most of these large events have been supported financially by WellingtonNZ and would not have occurred without that support. We are operating in an increasingly competitive environment. The Trust is working on a large number of potentially stadium filling events from the second half of 2022 onwards. Key to recovery will be a well-funded events sector. We encourage our Settlers to consider the events sector as a key platform for economic recovery.

Invest in and improve our facilities

Continued investment in the Stadium is vital to ensure events are not lost to new facilities.

The second phase of the concourse upgrade is nearing completion.

This includes:

- The enhancement and renovation of food and beverage outlets;
- Cladding of some of the current grey concrete walls and pillars;
- Developing a consistent look and feel and way finding around the concourse;
- Making the space more suitable for exhibition clients;
- Improved lighting.

The final phase will be refurbishment of parts of the concourse floor. This is planned commence in the 2021/22 year. In addition, we are intending to replace signage and menu boards with digital displays.

The Trust is part way through seismic strengthening of the Fran Wilde Walk. We are also awaiting final engineering plans for adding further resilience to the stadium floors on all levels. While the building has performed well in recent earthquakes and has a rating of between 70 and 80% at IL3, the advice from engineers is that we should consider further improvements.

The Trust has discussed this with Settlers and has sought consideration for this project as part of Councils' Long Term Plan processes.

Placeholder: More detail around capex to be provided once budgets completed



Long term strategic asset management

The Trust maintains a robust asset management programme that prioritises maintenance based on a 5-year asset condition report compiled by WPS Opus on behalf of the Trust.

Maintaining a safe and healthy working environment

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.

To ensure a safe and healthy work environment, the Trust maintains a Health and Safety Management System. In addition, the Trust has an established Health and Safety Committee which comprises three Trustees that meets on a regular basis to review and measure crucial areas of health and safety.

Placeholder: More detail to be provided around non-financial KPIs on H&S to be given post next H&S meeting

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.

Clearly in the current environment caused by Covid-19 the Trust is unable generate sufficient profits to meet this requirement. The Trust appreciates the support, by way of the \$4.2m loan, from both the settlors to assist it navigate the current period.

To be updated in final version following completion of budget process



PROJECTED EVENTS SCHEDULE

12 Months ending 30 June

Table Here



**SUMMARY STATEMENT OF FINANCIAL PERFORMANCE
FOR THE THREE YEARS ENDING 30 JUNE**

Table here



**SUMMARY STATEMENT OF CASHFLOWS
FOR THE THREE YEARS ENDING 30 JUNE**

Table here



**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE**

Table here



PERFORMANCE MEASURES

Non-Financial Performance Measures

Measure	How Measured
<ul style="list-style-type: none"> Deliver a strong Rugby international test programme for 2021 and 2022 	<ul style="list-style-type: none"> Key stakeholders are satisfied with management of the test operation 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 two concerts in 2021/22 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"> Concourse upgrade is completed Resilience plans finalised and shared with council partners.
<ul style="list-style-type: none"> Deliver a full event calendar 	<ul style="list-style-type: none"> Securing 45-50 event days per year. (Depending on Covid-19 restrictions).
<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"> Sustainability 	<ul style="list-style-type: none"> Reduce single use plastic Benchmark current emissions
<ul style="list-style-type: none"> Health and Safety 	<ul style="list-style-type: none"> TBC

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.



3. 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 biannually. The Health & Safety Committee meets quarterly and prior to significant events such as concerts.

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 Chair of the Audit Committee conducts a review of the Chair's performance.

The Chair will provide the settlers with a board skills matrix annually. The Chair will provide early notification of upcoming board vacancies and work with settlers to ensure that at least three potential candidates are presented for each vacancy that occurs.

A Board performance review will be provided by 30 September 2021.

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	30 June 2021
Steven Fyfe	30 June 2022
Sean Rush	formal declaration of results of WCC 2022 elections
Glenda Hughes	formal declaration of results of GWRC 2022 elections
Nicola Crauford	31 December 2022
Rachel Taulelei	30 June 2023
Tracey Bridges	31 December 2023
Steve Tew	31 December 2023

4. 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 at least quarterly with additional meetings prior to major events).

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. The Trust operates a maximum first loss policy that provides cover for fire, earthquake and other perils.

The Trust has insurance cover for the Stadium asset with a combined maximum policy limits of \$200m for material damage and business interruption. This is less than the building reinstatement value which was last assessed in September 2019 at \$302m. The Trust is required to cover the first \$25 million of any earthquake claim.

Insurance premiums have become increasingly unaffordable for the Trust in recent years. This year the Trust explored options to mitigate the increasing premium and accepted the following key changes (to the Material Damage and Business Interruption policy) from prior years:

- \$200m of insurance cover (reduced from \$230m in the prior year)
- \$25m deductible for natural disaster (previously \$7m)
- Aggregate limit for fire cover of \$100M (previously full cover from fire up to insured limit of \$200M).

The Trust has kept Settlers informed on all decisions related to insurance.

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.

Communication and Access to Information

The Trust enjoys a positive and open relationship with both of its Settlers, and both settlers 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.



5. 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 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 2022	xx%
30 June 2023	xx%
30 June 2024	xx%

The ratio of total Trust Assets to Trust Liabilities is expected to be:

30 June 2022	xx%
30 June 2023	xx%
30 June 2024	xx%

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 Sky 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 is to provide a community and social benefit, it is a public benefit entity for financial reporting purposes.

The financial statements of the Trust comply with Public Benefit Entity (PBE) standards.

The financial statements have been prepared in accordance with Tier 2 PBE Standards. The Trust meets the requirements for Tier 2 reporting as it does not have public accountability and is not large (as defined by XRB A1).

The financial statements have been prepared on an historical cost basis, except for interest rate swaps.

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (000) unless otherwise stated.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. The impact of COVID-19 on the going concern assessment is discussed in Note 17.

Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured. It is recognized at the fair value of the consideration received. Specific recognition criteria apply to the following income streams as noted below.

Revenue from Exchange transactions

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 six years. The related license fees/revenues are paid annually and initially recorded as Revenue in Advance with the revenue recognised on a straight-line basis throughout the term.



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.

Rental income

Rents are recognised on a straight-line basis over the term of the lease.

Revenue from Non-Exchange transactions

Grant income

Grants are recognized as income once the conditions of the grant are met.

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, except for 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. After 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 the 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, including periodic independent review, 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 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