
ORDINARY MEETING

OF

ECONOMIC GROWTH AND ARTS COMMITTEE

AGENDA

Time: 9.15am
Date: Tuesday, 18 November 2014
Venue: Committee Room 1
Ground Floor, Council Offices
101 Wakefield Street
Wellington

MEMBERSHIP

Mayor Wade-Brown

Councillor Ahipene-Mercer
Councillor Coughlan (Chair)
Councillor Eagle
Councillor Lester
Councillor Marsh (Deputy Chair)
Councillor Peck
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 803-8334, emailing public.participation@wcc.govt.nz or writing to Democratic Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number and the issue you would like to talk about.

AREA OF FOCUS

The Economic Growth and Arts Committee will focus on delivering sustainable long-term economic growth, increased employment, promote the city's visitor attractions, deliver high-quality events and support the development of smart businesses in the city. The Committee will also work to build Wellington's unique identity, bolster business confidence, raise the city's international profile, and ensure Wellington continues to be New Zealand's arts and culture capital by supporting a range of opportunities for entertainment and expression. There will be a continuing focus on the ICT and Digital sector.

Quorum: 4 members

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1 Meeting Conduct

1.1 Apologies

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

1.2 Conflict of Interest Declarations

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

1.3 Confirmation of Minutes

The minutes of the meeting held on 7 October 2014 will be put to the Economic Growth and Arts Committee for confirmation.

1.4 Public Participation

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

1.5 Items not on the Agenda

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

Matters Requiring Urgent Attention as Determined by Resolution of the Economic Growth and Arts Committee.

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

Minor Matters relating to the General Business of the Economic Growth and Arts Committee.

No resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Economic Growth and Arts Committee for further discussion.

2. General Business

REVIEW OF ANNUAL REPORT FOR POSITIVELY WELLINGTON TOURISM - A COUNCIL CONTROLLED ORGANISATION - FOR THE YEAR ENDING 30 JUNE 2014

Purpose

1. This report provides the committee with a review of the annual report submitted by Positively Wellington Tourism (PWT), a Council Controlled Organisation (CCO) for Council approval in compliance with the requirements of the Local Government Act 2002. A separate report analysing PWT's performance is attached as an appendix.

Recommendations

That the Economic Growth and Arts Committee:

1. Receive the information.
2. Note any issues for the Chair to raise with Positively Wellington Tourism.

Background

2. It is a requirement of the Local Government Act 2002 (the Act) that where the Council is a shareholder in a council organisation it must regularly undertake performance monitoring of that organisation to evaluate its contribution to the achievement of:
 - The Council's objectives for the organisation
 - The desired results, as set out in the organisation's Statement of Intent
 - The Council's overall aims and outcomes.
3. The Economic Growth and Arts Committee is delegated with the assessment of the efficiency and effectiveness of a number of CCOs, including PWT.

Discussion

4. An audited annual report has been received from the PWT for consideration by the committee.
5. PWT's audited annual report has been reviewed by officers to assess any risks or issues from the perspective of Council's shareholder interest. Any significant issues that were identified have been discussed with PWT.
6. Representatives of PWT will attend the meeting to present its Annual Report and answer any questions from the Committee.
7. If the Committee needs to clarify further the information presented or requires additional assistance with its monitoring role, it can ask officers or the Chair of the Committee to seek responses from PWT's Board Chair.

Attachments

Attachment 1. PWT 2013-14 Annual Report

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Authors	Richard Hardie, Portfolio Manager Warwick Hayes, CCO Project Manager
Authoriser	Derek Fry, Director City Growth & Partnerships

SUPPORTING INFORMATION

Consultation and Engagement

Not applicable

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 mana whenua as part of normal operations.

Financial implications

There are no financial implications associated with this report.

Policy and legislative implications

This report is consistent with existing WCC policy.

Risks / legal

No risks have been identified with this report. A Statement of Intent is a legal requirement for CCOs under the Local Government Act 2002.

Climate Change impact and considerations

Not applicable

Communications Plan

Not applicable

EXECUTIVE SUMMARY

As Wellington's official tourism organisation, Partnership Wellington Trust (trading as Positively Wellington Tourism, markets Wellington as New Zealand's ultimate urban destination. The organisation: promotes Wellington as a domestic and international visitor destination, markets Wellington as a convention and conference destination, provides visitor information services, supports retail growth initiatives and facilitates new tourism and event products and services.

The city hosted over 1.3 million commercial guest nights and while two earthquakes in 2013 stalled domestic visitation for a short period the Trust saw growth in some of the traditional Northern Hemisphere markets which had suffered during the Global Financial Crisis, while flagship domestic events continued to draw guests to the city. World of Wearable Art, Wellington Sevens and Beervana and Wellington Visa on A Plate continued to enjoy excellent patronage from both local residents and visitors. During the year PWT led a range of campaigns, competitions and energetic promotions that continued to put Wellington at the top of peoples list of destinations to visit and a Roy Morgan survey during the year saw New Zealanders naming Wellington as their number one holiday destination.

The major operational project for the year was to create a single digital hub (web site) for attracting talent, visitors, students, businesses and investors to the Wellington region as part of the Destination Wellington programme. The Trust's financial results were in-line with budget with the exception of timing differences which returned the Trust's year end cash on hand to its long run average of approximately \$1.0m.

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE (\$000)	30-Jun-10	30-Jun-11	30-Jun-12	30-Jun-13	30-Jun-14	Budget 30-Jun-14	Variance* 30-Jun-14
Total Revenue	10,274	11,909	11,377	11,771	11,456	11,491	-35 ✗
Total Operating Expenses	10,309	11,900	11,374	11,762	11,459	11,483	-24 ✓
Net Surplus	(34)	8	2	9	(4)	8	-11 ✗
FINANCIAL POSITION							
Total Assets	1,373	1,811	1,684	2,460	1,661	1,526	134 ✓
Total Liabilities	881	1,311	1,182	1,948	1,153	1,014	139 ✗
Equity	491	500	502	511	508	512	-5 ✗
CASH FLOWS							
Total Net Cash Flows	(256)	253	(7)	757	(737)	35	-772 ✗
Opening Cash	1,032	776	1,029	1,021	1,778	1,778	0
Closing Cash	776	1,029	1,021	1,778	1,042	1,813	-771 ✗

The Trust's revenue and expenses closely mirror its SOI forecasts for the year ended 30 June 2014 and variances are immaterial. This is also true in terms of the Trust's balance sheet. Net cash flows showed a negative variance to budget by \$772k led by payments to suppliers which exceeded budget. However, this is a timing difference (i.e. suppliers carried over from prior year end). Other variances in the cash flow (e.g. visitor centre income) were balanced by unders and overs in revenue and expense items such that the total net cash outflow was \$773 which returned the Trust's cash on hand at year end to its normalised level of approximately \$1.0m.

KPI DASHBOARD						
✓ Achieved ✗ Not Achieved. The table contains a selection of KPIs and is not a complete list.						
MEASURES (30 JUNE)		2010	2011	2012	2013	2014
		Actual	Actual	Actual	Actual	Actual
Op. grant max. 50% Wellington's marketing	Target	<50%	<50%	<50%	<50%	<50%
	Actual	--	49.0% ✓	46.3% ✓	43.2% ✓	43.2% ✓
Australian arrivals to Wellington	Target	+7.0%	+7.0%	+7.0%	+7.0%	+5.0%
	Actual	+8.6% ✓	+8.3% ✓	+17.5% ✓	-0.7% ✗	+0.6% ✗
Downtown weekend visitation	Target	-10%	+2.0%	+2.0%	0.0%	0.0%
	Actual	-0.2% ✓	-1.8% ✗	+3.7% ✓	-0.85% ✗	-1.09% ✗
Paid international guest nights in Wellington.	Target	+2.0%	+2.0%	0.0%	0.0%	+1.0%
	Actual	-1.3% ✓	+4.0% ✓	+7.6% ✓	-13.3% ✗	2.6% ✓
Paid domestic visitor nights in Wellington.	Target	-10%	+2.0%	0.0%	+2.0%	+2.0%
	Actual	+3.6% ✓	-2.6% ✗	+1.0% ✓	+7.05% ✓	-1.5% ✗
Weekend rooms in partner hotels	Target	+2.0%	+2.0%	0.0%	+2.0%	+2.0%
	Actual	-1.4% ✗	+3.9% ✓	+9.8% ✓	+1.0% ✗	-2.0% ✗

Paid guest nights in Wellington by international travellers exceeded target as growth returned from New Zealand's more traditional Northern Hemisphere markets following a long period of decline in response to the Global Financial Crisis. Australian travellers to New Zealand did not meet the target in part due to a reduction in airline capacity and by the Qantas-Emirates alliance whereby Northern Hemisphere travellers have taken seats from Australian travellers on the final leg between Australia and New Zealand. Domestic travellers to Wellington were rocked by earthquakes in 2013 which caused some subsequent cancellations and is reflected in domestic visitor nights not reaching the target. Downtown weekend visitation was marginally down relative to last year. It has been previously mentioned that the measurement of this KPI is considered sub-optimal and will be addressed in future to provide greater confidence in understanding this indicator.

ISSUES & OUTLOOK
While the Trust continues to operate in a business as usual manner, the pending establishment of the Wellington Regional Development Agency (WREDA) is a significant item on PWT's agenda in the current financial year (2014/15). The full implications of establishing WREDA and the implications for PWT will evolve quickly. The Trust has been preparing (to the extent possible) to accommodate this event for some time and will continue to respond to the needs and requirements of this project as these arise.

EFFECTIVENESS INDICATORS

As Wellington's official tourism organisation, PWT markets Wellington as New Zealand's ultimate urban destination. The organisation promotes Wellington as a domestic and international visitor destination, markets Wellington as a convention and conference destination, provides visitor information services, supports retail growth initiatives and facilitates new tourism and event products and services.

The Trust's KPIs are designed to help measure its effectiveness in its role. These are grouped by activity and outlined below with comparative data. Commentary is provided for the 2013/14 year in review.

Organisational	2010	2011	2012	2013	2014	Budget
Overheads < 12% of total activity costs including partnership investments.	--	7.9% ✓	9.2% ✓	7.6% ✓	7.2% ✓	<12%
- Overheads (\$000)	--	\$945	\$1,047	\$1,013	\$933	
- Activity costs (\$000)	--	\$11,900	\$11,374	\$13,262	\$12,959	
Council funding 50% or less of Wellington's marketing activity investment.	--	49.0% ✓	46.3% ✓	43.2% ✓	43.2% ✓	<50%
- Council funding (\$000)	\$5,440	\$5,940	\$5,940	\$5,740	\$5,600	
- Wellington marketing (\$000)	\$10,274	\$12,128	\$12,837	\$13,271	\$12,946	

The Trust comfortably met its organisational KPIs once again.

In terms of the Trust's Council funding KPI, the figures used as a basis for the calculations include the operating grant plus other budgets dedicated to marketing Wellington. This calculation is consistent for the periods shown.

The Trust received total funding/compensation from Council of \$6,597,512 for the year to 30 June 2014 which includes funding for other programmes including the Australian Marketing Programme co-funded with Air New Zealand, Destination Wellington and Council's Long Haul initiative with Wellington International Airport Ltd.

Australia Sales & Marketing	2010	2011	2012	2013	2014	Budget
Airline capacity maintained and negotiations advanced to grow capacity further	-1.0% ✗	+5% ✓	+12% ✓	+0.3% ✓	-0.85% ✗	0%
- Number of international seats	--	852,104	976,196	979,056	970,716	
Recognition of Wellington as a visitor destination in targeted regions of Australia.						
- Respondents with knowledge of what Wellington has to offer as a visitor destination	13%	45% ✓	74% ✓	74% ✗	65% ✗	>0%
Australian visitor arrivals to Wellington via Wellington International Airport.	+8.6% ✓	+8.3% ✓	+17.5% ✓	-0.7% ✗	+0.6% ✗	+5%
- Australian visitor arrivals	109,689	111,657	139,088	138,160	139,056	

Airline capacity shrank slightly during the year. The Air New Zealand – Virgin alliance restriction was lifted in January which allowed Air NZ to reduce capacity.

In its annual measure of targeted regions in Australia, PWT has found that the recognition of Wellington as a visitor destination fell below expectations. PWT survey Australians on their eNewsletter database. The survey asks if, within 12 months, their knowledge of what Wellington has to offer has increased. Thus it doesn't necessarily mean recognition is lower, but that there is already a high level of awareness of Wellington as a holiday destination among respondents – i.e. their knowledge of what Wellington has to offer is consistent.

EFFECTIVENESS INDICATORS						
<p>Australian visitor arrivals increased by 0.6% over the previous year but did not meet the KPI target of 5%. This is because Australian arrivals to Wellington were impacted by a reduction in the number of flights to Wellington and by the Qantas-Emirates Alliance whereby Northern hemisphere travellers have taken seats from Australian travellers on the final leg between Australia and New Zealand.</p>						
Conventions Sales & Marketing	2010	2011	2012	2013	2014	<i>Budget</i>
Wellington's conventions and incentives market share within NZ's multi-day conference market.	--	+1.0% ✓	+1.5% ✗	+23% ✓	20% ✓	20%
- Delegate days	483,537	769,031	778,284	801,261	708,849	
Leads & referrals generated to Convention Bureau partners	+4.0% ✗	+15.7% ✓	-1.0% ✓	+4.9% ✓	-20% ✗	+2%
- Leads & referrals	414	479	474	497	396	
<p>Within the new upgrades of WellingtonNZ.com the online Conventions enquiry form was "disconnected" for 6 weeks. Along with this, the Business Events Wellington team were down 2 team members during the transition phase to BEW and while new employees were being sought. As a result capacity was down to process leads & referrals.</p>						
Downtown Marketing & Digital	2010	2011	2012	2013	2014	<i>Budget</i>
Downtown weekend visitation	-0.2% ✓	-1.8% ✗	+3.7% ✓	-0.85% ✗	-1.09% ✗	0%
- No. of unique electronic cards used in a sample of downtown businesses.	80,218	78,749	81,637	80,941	80,056	
Subscribed audience	--	19.4% ✓	37.3% ✓	+53.0% ✓	+27% ✓	+15%
- KNOW Wellington	--	34,875	74,728	122,400	146,554	
<p>Downtown weekend visitation is measured by the number of electronic card transactions in a selection of retail outlets. It is considered an imprecise measure of the actual downtown visitation and will be replaced by a new MBIE measure in future. That said, the performance is marginally below last year, while the trend overall it relatively static. A new dataset will help to better understand this measure.</p> <p>PWT continues to demonstrate its success in growing its digital media audiences. The KNOW Wellington audience represents subscribers to relevant social media and KNOW eNews. PWT's subscribed audiences form an important part of its promotional network and an area of ongoing future growth.</p>						
International	2010	2011	2012	2013	2014	<i>Budget</i>
Paid international visitor nights in Wellington city accommodation.	-1.3% ✓	+4.0% ✓	+7.6% ✓	-13.3% ✗	2.6% ✓	+1%
- International nights July - May	687,234	668,893	767,398	631,164	647,360	
Wellington's cruise passenger visitors	--	--	+37 ✓	+33.6 ✓	-16.0% ✗	+5%
- Cruise passengers	--	--	125,000	172,015	143,938	
<p>Visitors from traditional international markets (which have been quieter since the Global Financial Crisis) have begun to return to New Zealand. International commercial guest nights in Wellington grew 2.6% following a lacklustre year in 2012/13. The trend is relatively steady overall (noting that 2012 contains the visitation spike for the 2011 Rugby World Cup).</p> <p>Cruise passengers were lower than expected to 30 June 2014 due to imprecise forecasting. The number of passengers is influenced by the number of cruise ships berthing in Wellington which, as a deep port with a long wharf, is able to berth large cruise liners by comparison to some other New Zealand ports.</p>						

EFFECTIVENESS INDICATORS

New Zealand & Event Marketing	2010	2011	2012	2013	2014	Budget
Paid domestic visitor nights in Wellington city accommodation.	+3.6% ✓	-2.6% ✗	+1.0% ✓	+7.05% ✓	-1.5% ✗	+2%
- Domestic nights July - May	1,315,251	1,191,067	1,307,912	1,292,102	1,273,013	
Weekend rooms in partner hotels	-1.4% ✗	+3.9% ✓	+9.8% ✓	+1.0% ✗	-2.0% ✗	+2%
- Weekend room nights sold	187,623	163,057	180,515	181,351	177,715	

Domestic commercial guest nights did not meet the Trust's KPI and were below the level for the 2012/13 year. Some of this is attributed to earthquakes in July 2013 which had a negative impact on domestic visits to Wellington (but negligible impact on international visits).

Notwithstanding, Visa Wellington On a Plate saw a 5% increase in tickets sold out-of-town and approximately 35% of Beervana tickets were purchases from outside Wellington. Both the Wellington Sevens and World of Wearable Art events also attracted significant numbers of out-of-town visitors and contributed to the city's events calendar.

Digital Marketing	2010	2011	2012	2013	2014	Budget
Visitors to wellingtonnz.com	+27% ✓	+20% ✓	7.2% ✗	+25% ✓	-5% ✗	+10%
- Total visits	1,369,726	1,638,341	1,756,145	2,497,065	2,364,283	
Subscribed audience	--	--	--	--	+16% ✓	
- All subscribed services	--	--	--	--	250,079	

Although visits to WellingtonNZ.com did not reach the 2014 target and were slightly below those for 2013, the major project for the year was the website redevelopment that has created a single digital platform for attracting visitors, talent, students, businesses and investors to the Wellington region. The revamped website went live in April 2014.

i-SITE Visitor Centre	2010	2011	2012	2013	2014	Budget
i-SITE revenue	+2.2% ✓	-3.7% ✗	+13.5% ✓	-1.7% ✗	-14.4% ✗	0%
- (\$000)	\$3,050	\$2,928	\$3,349	\$3,284	\$2,900	\$3,220
Wellington product sales	+12.0% ✓	+ 1.3% ✗	2.8% ✗	-1.3% ✗	+4.4% ✓	+2.5%
- (\$000)	\$820	\$831	\$977	\$893	\$891	
Visitors to i-SITE	+ 3.0% ✓	-7.2% ✗	+1.1% ✓	-4.6% ✗	-14.8% ✗	0%
- Number of visitors	394,228	365,907	370,040	350,722	302,262	

Total revenue was down partly due to lack of lease holder at the i-SITE and partly through a decline in sales on board the Interislander – as the ship had a long dry dock period. The sales revenue is lower by a similar quantum to the visitor number to the i-SITE (see below).

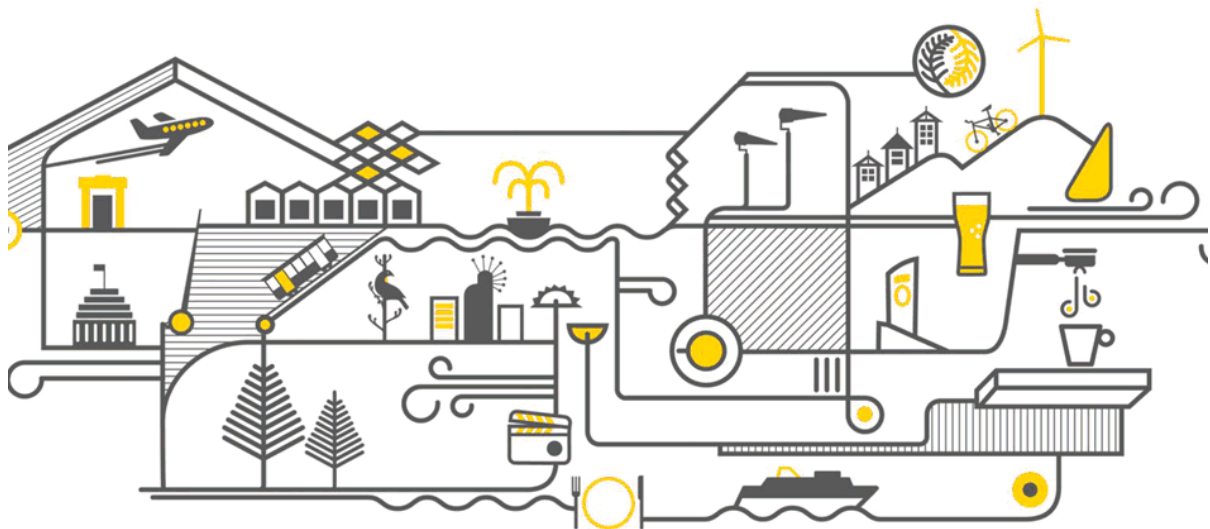
The i-SITE continues to concentrate on selling more local product to support local initiatives and businesses and has been successful in doing this.

Prior year i-SITE numbers included visitors to the café (the visitor count was a door counter). As a result of the closure of Nui café, the i-SITE effectively lost 'visitors' who were more likely not visitors at all. The impact is reflected on this KPI because it is based on prior period figures.

Partnership Wellington Trust

Annual Report 2013/14

Item 2.1 Attachment 1



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From the Chair

Wellington continues to be a highly attractive destination for New Zealanders, who spent close to 1.3 million commercial guest nights in the city in 2013/14, and more international visitors are choosing to stop in the city too.

Positively Wellington Tourism (PWT) has been working hard in collaboration with partners and stakeholders to make sure the capital stays the number one choice of destination for Kiwis.

It appears to be working, with New Zealanders naming Wellington as their number one holiday spot in a recent Roy Morgan Research survey.

Visitors to our city inject \$1.65 billion a year into our local economy, so the work PWT does to help keep the tourism industry ticking is vital to the growth and vitality of our city.

The 2013/14 year was not without its challenges, with two earthquakes in 2013 stalling the growth of visitor numbers for a short period at least. Despite these challenges, PWT has got on with the job of boosting the city's brand, running 16 domestic brand & event campaigns in the year to promote the city to New Zealanders. These campaigns had a cumulative audience of almost 420 million.

There's good news from the international visitor sector too. Wellington enjoyed a strong summer season as visitors from our traditional markets - which have been quieter since the global financial crisis - began to return in numbers.

The year's financial result was a net loss of \$3, 654 but the Partnership Wellington Trust (The Trust) remains in a comfortable financial position with funds at the end of the year at \$507, 649, only slightly down on last year.

Successful partnerships have meant the Trust is able to maximise its work with external funding, which meant Wellington City Council funding accounted for just 43.2% of total marketing activity, a healthy margin under the 50% maximum target.

As Wellington moves in partnership with other New Zealand tourism organisations to achieve the goals of the Tourism 2025 taskforce to increase tourism's contribution to the New Zealand economy from the current \$24 billion to \$41 billion in 2025, we'll need to see more innovation and growth.

PWT is already driving towards that with its work on the Destination Wellington programme, which is designed to build on our strong reputation as a visitor attraction to lure more people to move to and work in the capital. The organisation's internal restructure in recent months also means it's set up and ready to take on new challenges with gusto.

I'd like to thank all the partners who've helped make Wellington a success this year. Finally I'd like to thank David Perks, our CEO, and his team for having once again contributed to our city's success by relentlessly focussing on imaginative and daring campaigns executed flawlessly.



Howard Greive, CHAIR



The Board



Howard Greive - Chair



David Perks - CEO



Sarah Gibbs



Chris Wilkinson



Simon Woolf



From the Chief Executive

It's been another busy year marketing our city to New Zealand and the world, and we've done a positively good job of it. From digital marketing to events, brand enhancement and trade, our specialist teams have been showcasing the coolest little capital at its finest.

One of the year's major project was the creation of a one-stop shop digital hub for attracting visitors, talent, students, businesses and investors to the Wellington Region. The site looks great and is part of our ever increasing online presence that's making it easier for would-be visitors to learn about our city. Our digital reach has also grown in leaps and bounds, with the number of people subscribing to our e-newsletters and social media now at 250,079, 16 percent ahead of target.

Targeting the growing Chinese market has been another focus this year, starting with the publication of the region's first Chinese language visitor guide. China's a market with exciting opportunities, with a domestic law change that's stopped tour operators running highly restrictive shopping tours opening up the doors to the likes of Wellington and its neighbouring destinations.

Innovative campaigns to boost the Wellington brand are at the heart of what we do. In what may well have been the world's first pop up city, *The Capital* at Auckland's Silo 6 in June was a resounding success. A two-week long marketing campaign across Auckland's top tastemaker publications, radio and social media saw a cumulative campaign reach of approximately 1.9 million.

While the year kick-started in July with a continuation of the record hotel occupancy levels experienced in many of the first six months of the calendar year, it also saw the first of two earthquakes that rattled Wellington. But a strong line-up of premier events saw the city shine through the tough times, with a fairly small decline in the domestic market while international commercial guest nights grew 2.6% for the year to 647,360.

We've continued with our core work of sharing information about everything that's happening in the capital, hosting 216 media and publishing and distributing content-rich Wellington mini magazines throughout Australasia.

I'm also proud of the work that's been done to drive the *Destination Wellington* programme towards its full potential. *The Wellington Story* video series is online, the visual identity developed and marketing activity commenced to reinvigorate Wellingtonians and spread confidence in our city as a business hub.

You'll find further highlights of our campaigns and our full performance results on the following pages. With a top notch events line-up in the coming months I'm looking forward to more good news to report over the next year.



David Perks, CEO



Performance Summary

Positively Wellington Tourism has the awesome job of marketing the capital, which we strive to do in creative and innovative ways fitting of our city's reputation.

Below you'll find an overview of the organisation's performance in 2013/14 against key measurements. Highlights of the activity that helped us achieve these results follow. You'll find the full results in the Statement of Service Performance at the back of this document.

Organisational

- Wellington City Council funding was 43.2% of the total marketing investment made through PWT activity. Overhead costs were \$933,078 of total activity costs, which was 7.2% of total activity costs.

Australia Sales and Marketing

- A survey of Australian travelers found 65% of respondents agreed their awareness of what Wellington has on offer as a visitor destination had increased when compared to what they knew the year before.
- Australian visitor arrivals increased 0.6% to 139,056. (*Source: International Visitor Arrivals*)
- Trans-Tasman airline capacity decreased by 0.85% to 970,716 seats. (*Source: Wellington International Airport*)

Business Events Wellington

- Wellington hosted 134,497 multi-day delegate days. The city maintained its Conventions and Incentives multi-day market share at 20% of the New Zealand total. (*Source: Convention Activity Survey – Year-end March 2014*)
- Leads and referrals made to partners decreased 20%.

Downtown Marketing

- Downtown Wellington weekend visitation declined 1% (*Source: BNZ MarketView*)
- The combined reach of the KNOW Wellington audience exceeded the target set by 27%, finishing the year at 146,554.

International/Long Haul

- International commercial guest nights grew 2.6% to 647,360. (*Source: Commercial Accommodation Monitor – 11 months to May 2014*)
- Cruise passenger arrivals to Wellington declined 16% to 143,938 during the 2013/14 season. (*Source: CentrePort*)



- In March PWT and Wellington International Airport held meetings with 10 potential airline partners presented them with business cases. Follow up is now being undertaken with all airlines.

New Zealand and Event Marketing

- Commercial domestic guest nights declined 1.5% to 1,273,013. (Source: *Commercial Accommodation Monitor – 11 months to May 2014*)
- The number of weekend rooms sold in PWT partner hotels declined 2%. (Source: *PWT Hotel Monitor*)

Digital Marketing

- Visits to WellingtonNZ.com decreased by 5% to 2,364,283. (Source: *Google Analytics*)
- Wellington's subscribed audience (e-newsletter and social media subscribers across all areas) increased to 250,079, 16% ahead of target.

Product Development

- The Rimutaka Cycle Trail, the 22nd 'Great Ride' in Nga Haerenga – The New Zealand Cycle Trail, was launched in October 2013.

i-SITE Visitor Centres

- Total trading revenue in the year decreased by 14.4% to \$2.9 million.
- 302,262 people visited the Wellington i-SITE in the year, a decrease of 14.8%.
- Proportion of sales of Wellington product increased 4.4% to 30.9% of total i-SITE sales.

Destination Wellington

- PWT led two key pieces of foundation work– an advertorial series with The Dominion Post and the project to redevelop WellingtonNZ.com.
- The redeveloped WellingtonNZ.com was completed and deployed on 30 April 2014.

:: Unless otherwise stated, growth rates are in comparison to the 2012/13 financial year.



Activity Highlights

Positively Wellington Tourism activated a stellar range of campaigns in 2013/14 to promote our little capital locally, nationally and beyond. These are just some of the highlights.

A forward-thinking city

In July 2013 PWT launched a competition in partnership with Tourism New Zealand (TNZ) to host the first Australian Same Sex couple to get married in New Zealand. The competition received over 360 entries, with the event receiving an estimated Australian media circulation of 210 million. Coverage had an estimated advertising value of AUD\$4,331,972.



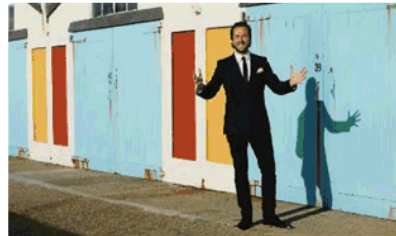
A Capital Time in Auckland

In June PWT created *The Capital*, a culinary event on Auckland's waterfront, which may well have been the world's first pop up city. 35 Wellingtonians helped highlight what the capital has to offer to our key domestic visitor market, Auckland. A two-week long marketing campaign across Auckland's top tastemaker publications, radio and social media saw a cumulative campaign reach of approximately 1.9 million.



Showing Australia 'Wellington Has Things'

This online campaign starring *The Voice* present Darren McMullen received 123,608 views in just the first month of release in June. The video highlighted the proximity of Wellington to Australian main centres, following research which showed 50% of people we engaged with were not aware of how close we are to Australia.



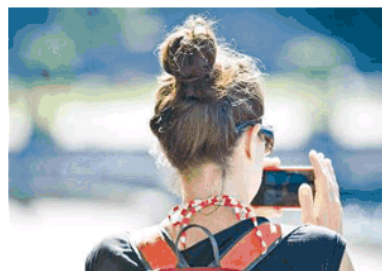
China Focus

This year saw the publication of a regional Chinese language visitor guide and development of a simplified Chinese version of *WellingtonNZ.com*. Electronic card spend by Chinese visitors to Wellington increased 17% in the 12 months to June 2014, showing the growing importance of this market.



International visitors return

Wellington enjoyed a strong summer season as markets most hurt by the global financial crisis began to return in numbers. Our traditional long haul markets including the United Kingdom, United States and Germany have rebounded and Wellington's film links have let us continue to benefit from Tourism New Zealand's marketing efforts around The Hobbit movie trilogy.



Vamping it up in 'Vellington'

To support and leverage the release of What We Do in the Shadows, PWT helped coordinate the creation of the 'Vellington' sign, staged a *VellingtonNZ.com* website takeover and created an online 'Vampire's Guide to Vellington' campaign with film-maker Taika Waititi, which received over 70,000 views on YouTube.



Wellington hitting headlines

PWT hosted 216 national and international media in Wellington during the year. They were hosted ahead of and during events including *The Hobbit: The Desolation of Smaug*, The Royal Tour, the World of WearableArt Awards and Visa Wellington On a Plate.



The capital's new digital hub

A revamped *WellingtonNZ.com* went live in April 2014, completing one of the year's major projects. The website redevelopment created a single digital platform for attracting visitors, talent, students, businesses and investors to the Wellington Region.



Events capital

The fifth course of Visa Wellington On a Plate in August saw a 5% increase in out-of-town tickets sold through *VisaWellingtonOnaPlate.com* and approximately 35% of Beervana tickets were purchased from outside of Wellington. Successful Sevens Wellington and World of WearableArt campaigns ensured Wellington had an attractive events calendar with appeal to out of town visitors.



The Wellington Story video series

As part of the Destination Wellington programme, a Wellington story video series was created to show people why living and working in the capital offers fantastic opportunities that make anything possible. The series are a tool for any Wellingtonian looking to promote the city as part of



A new look to promote our city

PWT finalised the Destination Wellington visual look and feel, which is now being rolled out across all Destination Wellington promotions. The consistent use of colour palette, fonts, tone and story promptly brought together a solid and recognisable voice to the city's communications.



Downtown Christmas spirit

The fourth annual Christmas campaign, the *Wondrous Wellington Advent Calendar*, revealed Wellington treats each day in the lead up to Christmas. The campaign had over 190,000 website visits and more than 60,500 vouchers were distributed.



Wicked Welly Tiki Tour

Our first campaign targeted at Wellington students attracted 1,500 new subscribers to the KNOW Wellington eNews. A video of the winners' Tiki Tour was watched 10,496 times, with the post reaching 160,000 people on Facebook.



A wander-ful winter

Our digital winter events campaign highlighted the compact nature of the capital of cool alongside the variety of events on offer. The campaign included four homepage takeovers across NZHerald.co.nz and Stuff.co.nz, along with banner and YouTube advertising.



PARTNERSHIP WELLINGTON TRUST INC
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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Independent Auditor's Report

Audit

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To the readers of Partnership Wellington Trust Incorporated financial statements for the year ended 30 June 2014

The Auditor-General is the auditor of Partnership Wellington Trust Incorporated ("the Trust"). The Auditor-General has appointed me, Kerry Price, using the staff and resources of Grant Thornton, to carry out the audit of the financial statements and statement of service performance of the Trust on her behalf.

We have audited:

- the financial statements of the Trust on pages 15 to 36, that comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of movement in trust funds and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Trust on pages 37 to 46.

Opinion

In our opinion the financial statements of the Trust on pages 3 to 24:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Trust's:
 - financial position as at 30 June 2014, and
 - financial performance and cash flows for the year ended on that date.
- The statement of service performance of the Trust on pages 37 to 46:
 - complies with generally accepted accounting practice in New Zealand; and



- fairly reflects the Trust's service performance achievements measured against the performance targets adopted for the year ended 30 June 2014.

Our audit was completed on 14 August 2014. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

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

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Trustees;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

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



We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board of Trustees

The Board of Trustees are responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Trust's financial position, financial performance and cash flows; and
- fairly reflect its service performance achievements.

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

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

Responsibilities of the Auditor

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

Independence

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

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

Kerry Price
Grant Thornton New Zealand Audit Partnership
On behalf of the Auditor-General
Wellington, New Zealand



PARTNERSHIP WELLINGTON TRUST INC

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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PARTNERSHIP WELLINGTON TRUST INC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	Actual 2014 \$	Budget 2014 \$	Actual 2013 \$
INCOME				
Wellington City Council funding	20	6,597,512	6,529,000	6,469,768
Interest income		89,913	85,000	87,304
Visitor Centre income	1,20	2,827,389	3,220,000	3,283,957
Rental income	1	63,176	94,980	94,516
Partner income		1,602,743	1,237,412	1,541,115
Cruise shuttle operations		199,069	180,000	194,469
Other income		75,702	144,108	100,118
TOTAL INCOME		11,455,504	11,490,500	11,771,247
EXPENDITURE				
Personnel costs	2	2,790,385	2,768,000	2,669,732
Depreciation & amortisation expenses		83,637	109,000	183,761
Visitor Centre cost of sales	1	2,345,586	2,865,800	2,749,273
Marketing, publications and cruise shuttle operations		5,376,714	4,901,220	5,322,015
Premises expenses		446,030	453,980	455,529
Operating expenses	3	416,806	385,000	381,917
TOTAL EXPENDITURE		11,459,158	11,483,000	11,762,227
SURPLUS/(LOSS) FOR THE YEAR BEFORE TAX		(3,654)	7,500	9,020
Income tax expense	10	-	-	-
SURPLUS/(LOSS) FOR THE YEAR		(3,654)	7,500	9,020
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		(3,654)	7,500	9,020

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

PARTNERSHIP WELLINGTON TRUST INC

**STATEMENT OF MOVEMENT IN TRUST FUNDS
FOR THE YEAR ENDED 30 JUNE 2014**

Note	Actual 2,014 \$	Budget 2014 \$	Actual 2,013 \$
Accumulated Funds			
Funds at beginning of year	511,303	504,770	502,283
Total comprehensive income			
Surplus/(loss) for the year	(3,654)	7,500	9,020
Other comprehensive income	-	-	-
TOTAL COMPREHENSIVE INCOME	(3,654)	7,500	9,020
Total accumulated funds	507,649	512,270	511,303
TOTAL TRUST FUNDS	507,649	512,270	511,303

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

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PARTNERSHIP WELLINGTON TRUST INC

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	Actual 2014 \$	Budget 2014 \$	Actual 2013 \$
ASSETS				
Current Assets				
Cash and cash equivalents	4	641,513	675,238	1,378,153
Short term deposits	4	400,000	400,000	400,000
Trade debtors and other receivables	5	513,383	265,000	494,473
Prepayments		18,262	8,000	36,035
Resident Withholding Tax paid		26,950	-	28,026
Inventories	6	941	-	694
Total current assets		1,601,049	1,348,238	2,337,381
Non Current Assets				
Intangible assets	12	11,866	-	6,364
Property plant & equipment	11	47,703	178,000	115,979
Total non current assets		59,569	178,000	122,343
Total assets		1,660,618	1,526,238	2,459,724
LIABILITIES				
Current Liabilities				
Trade creditors and other payables	7	907,663	758,968	1,706,015
Income in advance		54,380	140,000	76,914
Employment entitlements	8	190,926	115,000	165,492
Total current liabilities		1,152,969	1,013,968	1,948,421
Total liabilities		1,152,969	1,013,968	1,948,421
NET ASSETS		507,649	512,270	511,303
TRUST FUNDS				
Accumulated funds				
Total trust funds		507,649	512,270	511,303

These financial statements are approved by the Board on 14th August 2014

Chair

Trustee

Date

Date

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

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PARTNERSHIP WELLINGTON TRUST INC

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	Actual 2014 \$	Budget 2014 \$	Actual 2013 \$
Cash Flows from Operating Activities				
Wellington City Council funding		6,597,512	6,529,000	6,469,768
Interest income		89,913	85,000	87,304
Visitor Centre income		2,827,389	3,220,000	3,283,957
Rental income		63,176	94,980	94,516
Partner income		1,602,743	1,237,412	1,541,115
Other income		274,771	324,108	294,587
Payments to suppliers		(9,619,372)	(8,592,000)	(8,532,395)
Payments to employees		(2,551,799)	(2,768,000)	(2,447,585)
Income taxes paid		-	-	-
Net cash inflow/(outflow) from operating activities	9	(715,667)	130,500	791,267
Cash Flows from investing activities				
Purchase of intangible assets		11,317	-	-
Purchase of property plant and equipment		9,656	95,500	34,538
Net cash inflow/(outflow) from investing activities		(20,973)	(95,500)	(34,538)
Net increase/(decrease) in cash		(736,640)	35,000	756,729
Cash balance at the start of the year		1,778,153	1,040,238	1,021,424
Total cash at the end of the year		1,041,513	1,075,238	1,778,153
Total cash is represented by:				
Cash and cash equivalents		641,513	675,238	1,378,153
Short term deposits		400,000	400,000	400,000
Total cash at the end of the year		1,041,513	1,075,238	1,778,153

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

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PARTNERSHIP WELLINGTON TRUST INC

NOTES TO THE FINANCIAL STATEMENTS

REPORTING ENTITY

These financial statements comprise the separate financial statements of the Partnership Wellington Trust Incorporated (the Trust), for the year ended 30 June 2014

The Trust was incorporated under the Charities Trusts Act 1957.

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

The financial statements were authorised for issue by Members of the Trust Board on 11 August 2014.

BASIS OF PREPARATION

(a) Statement of Compliance

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

The Trust is defined as a Public Benefit entity as its primary objective is to provide services to the community for social benefit and the Trust has been established with a view to supporting that primary objective rather than financial return.

(b) Basis of measurement

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

(c) Presentation currency

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

(d) Judgements and estimations

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

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

PARTNERSHIP WELLINGTON TRUST INC

NOTES TO THE FINANCIAL STATEMENTS

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(e) Changes in accounting policy and disclosures

There has been no change in accounting policies and disclosures in the financial statements presented.

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

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

Management anticipates that all pronouncements will be adopted in the first accounting period beginning on or after the effective date of the new standard. Information on new standards, amendments and interpretations that are expected to be relevant to the financial statements of the Trust are provided below.

(i) NZ IFRS 9 - Financial reporting requirements for certain entities frozen

The XRB issued a 'position statement' that all NZ IFRSs with a mandatory effective date for annual periods beginning on or after 1 January 2012 will be applicable only to profit-oriented entities, which are not in a position to apply differential reporting exemptions.

The result is that the financial reporting requirements for public benefit entities and non-large for-profit entities are effectively frozen from 2012 year-ends onwards. This exemption from new pronouncements is provided in light of pending changes to the Statutory Financial Reporting Framework in New Zealand.

(ii) Alternative disclosure where standards issued but not yet effective have no impact on recognition or measurement accounting policies

A number of new standards and interpretations have been issued but are not yet effective for the current year-end. The reported results and financial position of the Parent and Group is not expected to change on adoption of these pronouncements as they do not result in any changes to the Parent and Group's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements.
The Parent and Group do not intend to adopt any of the new pronouncements before their effective dates.

PARTNERSHIP WELLINGTON TRUST INC

NOTES TO THE FINANCIAL STATEMENTS

(g) Budget figures

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

SIGNIFICANT ACCOUNTING POLICIES

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

(a) Cash and cash equivalents

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

(b) Trade and other receivables

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

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

Receivables with a short duration are not discounted.

(c) Inventories

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

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

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

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

(d) Property, plant and equipment

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

(i) Additions

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

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

PARTNERSHIP WELLINGTON TRUST INC

NOTES TO THE FINANCIAL STATEMENTS

(ii) Disposal

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

(iii) Depreciation

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

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

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

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

(e) Intangibles

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

Computer software	33%
Website	33%

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

(f) Trade and other payables

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

(g) Provisions

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

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

(h) Employee entitlements

Short term benefits

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

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

PARTNERSHIP WELLINGTON TRUST INC

NOTES TO THE FINANCIAL STATEMENTS

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

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

(i) Income tax

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

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

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

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

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

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

(j) GST

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

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

(k) Financial instruments

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

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

PARTNERSHIP WELLINGTON TRUST INC

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

Financial assets

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

(i) Loans and receivables

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

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

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

Financial liabilities

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

The Trust has no off-balance sheet financial instruments.

Impairment of financial assets

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

(l) Impairment

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

PARTNERSHIP WELLINGTON TRUST INC

NOTES TO THE FINANCIAL STATEMENTS

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

The estimated recoverable value of assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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

(m) Revenue

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

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

Wellington City Council Funding

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

Donations and grants

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

PARTNERSHIP WELLINGTON TRUST INC

NOTES TO THE FINANCIAL STATEMENTS

Sale of goods

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

Rendering of services

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

Interest

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

Rental income

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

(n) Operating leases as lessee

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

PARTNERSHIP WELLINGTON TRUST INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

1 VISITOR INFORMATION CENTRE	2014	2013
	\$	\$
Trading income	2,827,389	3,283,957
Partner Income	5,296	5,000
Rent received	63,176	94,516
Wellington City Council funding	46,000	46,000
Total income	2,941,861	3,429,473
Less:		
Cost of sales	2,345,586	2,749,273
Gross profit	596,275	680,200
Less expenses:		
Employee expenses	475,295	510,584
Depreciation	55,149	131,163
Operating lease expense	114,873	116,592
General operating expenses	118,661	127,398
Total expenses	763,978	885,737
Net Operating Surplus/(Deficit)	(167,703)	(205,537)

2 PERSONNEL COSTS	2014	2013
	\$	\$
Salaries, wages and incentives	2,551,798	2,447,585
Recruitment and contract fees	6,916	8,464
Employer contributions to Kiwisaver	61,391	43,066
Training courses	43,501	20,560
Board of Trustee fees	82,500	95,000
Accident Compensation levies	1,593	12,278
Wellness reimbursements	7,521	7,821
General personnel costs	35,165	34,958
Total personnel costs	2,790,385	2,669,732

3 OPERATING EXPENSES	2014	2013
	\$	\$
Audit fees for financial statement audit	20,228	19,583
Bank charges	26,027	30,634
Communications	57,481	70,362
Computer maintenance and software licences	156,428	135,865
Conferences	5,229	8,608
Printing and stationery	26,053	25,886
Consultancy	35,166	20,533
Membership and subscriptions	26,356	25,023
Vehicle expenses	20,281	19,015
Other general operating expenses	43,557	26,408
Total other expenses	416,806	381,917

PARTNERSHIP WELLINGTON TRUST INC

NOTES TO THE FINANCIAL STATEMENTS

4 CASH AT BANK	2014	2013
	\$	\$
Cash and cash equivalents	641,513	1,378,153
Short term deposits	400,000	400,000
Total cash	1,041,513	1,778,153

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

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

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

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

5 TRADE DEBTORS AND OTHER RECEIVABLES	2014	2013
	\$	\$
Trade debtors and other receivables	306,103	181,283
GST receivable	207,280	313,190
Gross trade debtors and other receivables	513,383	494,473
Less allowance for doubtful debts	-	-
Total debtors and other receivables	513,383	494,473

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

As at 30 June 2014 and 2013, all overdue receivables have been assessed for impairment and appropriate allowances applied. All trade receivables are subject to credit risk exposure.

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

2014 receivable ageing analysis	Gross	Impairment	Net
	\$	\$	\$
Not past due	425,213	-	425,213
Past due 31-60 days	-	-	-
Past due 61-90 days	87,252	-	87,252
Past due > 91 days	918	-	918
Total	513,383	-	513,383

2013 receivable ageing analysis	Gross	Impairment	Net
	\$	\$	\$
Not past due	361,585	-	361,585
Past due 31-60 days	15,018	-	15,018
Past due 61-90 days	115,909	-	115,909
Past due > 91 days	1,961	-	1,961
Total	494,473	-	494,473

Allowance for doubtful debts	2014	2013
	\$	\$
Opening balance	-	-
Doubtful debts collected	-	-
Current year allowance movement	-	-
	-	-

PARTNERSHIP WELLINGTON TRUST INC

NOTES TO THE FINANCIAL STATEMENTS

6	INVENTORIES	2014 \$	2013 \$
	Wellington i-SITE Visitor Centre	941	694
	<u>Total</u>	<u>941</u>	<u>694</u>

No inventories are pledged as security for liabilities (2013: Nil).

7	TRADE CREDITORS AND OTHER PAYABLES	2014 \$	2013 \$
	Trade creditors	540,340	1,194,505
	Accrued expenses	367,323	511,510
	<u>Total creditors and other payables</u>	<u>907,663</u>	<u>1,706,015</u>

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

8	EMPLOYEE ENTITLEMENTS	2014 \$	2013 \$
	Accrued salaries and wages	26,295	20,320
	Accrued remuneration incentives	26,039	26,039
	Annual leave	138,592	119,133
	<u>Total employee entitlements</u>	<u>190,926</u>	<u>165,492</u>

9 RECONCILIATION OF SURPLUS FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2014 \$	2013 \$
Surplus/(deficit) for the year	(3,654)	9,020
<i>Add/(deduct) non-cash items:</i>		
Depreciation and Amortisation	83,637	183,761
<u>Total non-cash items</u>	<u>83,637</u>	<u>183,761</u>
<i>Add/(deduct) items classified as investing or financing activities:</i>		
Loss on sale of assets	109	56
<u>Total items classified as investing or financing activities</u>	<u>109</u>	<u>56</u>
<i>Add/(deduct) movements in working capital items:</i>		
Debtors and other receivables	(10,930)	(138,642)
Prepayments	(18,850)	(26,827)
Inventories	248	(694)
Creditors and other payables	(770,204)	843,667
Current tax payable	1,077	(2,233)
Income in advance	(22,534)	(82,956)
Employee entitlements	25,434	6,115
<u>Net movements in working capital items</u>	<u>(795,759)</u>	<u>598,430</u>
<u>Net cash inflow/ (outflow) from operating activities</u>	<u>(715,667)</u>	<u>791,267</u>

PARTNERSHIP WELLINGTON TRUST INC

NOTES TO THE FINANCIAL STATEMENTS

10 INCOME TAX EXPENSE

(i) Components of the income tax expense	2014	2013
	\$	\$
Current year tax expense	-	-
Prior year tax adjustment	-	-
Change in deferred tax on temporary differences	-	-
Deferred tax adjustment on change in tax rate	-	-
Total tax expense	-	-
Income tax recognised in other comprehensive income	-	-
Tax expense	-	-

(ii) Reconciliation of effective rate tax	2014	2013
	\$	\$
Surplus before tax	(3,654)	9,020
Income tax expense	-	-
Surplus for the year	(3,654)	9,020

Income tax at domestic tax rate	-	2,977
<i>Plus/ (less) tax affect of:</i>		
Non-taxable income	(2,177,179)	(2,135,023)
Non-deductible expenditure	2,177,873	2,133,387
Prior year tax adjustment	-	-
Change in deferred tax on temporary differences	-	-
Deferred tax adjustment on change in tax rate	-	-
Income tax	-	-
Deferred tax asset on losses not recognised	695	1,340
Income tax recognised in other comprehensive income	-	-
	-	-

(iii) Reconciliation of deferred tax asset	2014	2013
	\$	\$
Deferred tax on temporary differences		
Opening deferred tax asset/ (liability)	-	-
Current year deferred tax expense	-	-
Closing deferred tax asset/ (liability)	-	-

Deferred tax derives from temporary differences attributable to the following balance sheet items:

Trade debtors and other receivables	-	-
Trade creditors and other payables	-	-
Property, plant and equipment	-	-
Intangibles	-	-
Total temporary differences	-	-
Income tax @ 33%	-	-

A tax loss of \$6,771 (2012 \$10,833) is available to carry forward and offset against future liabilities, subject to the requirements of the Income Tax Act 2007 continuing to be met.

(iv) Reconciliation of current tax payable	2014	2013
	\$	\$
Opening balance	-	-
Current year tax expense	-	-
Tax refunded/(paid)	-	-
Current tax payable/ (receivable)	-	-

PARTNERSHIP WELLINGTON TRUST INC

NOTES TO THE FINANCIAL STATEMENTS

11 PROPERTY, PLANT AND EQUIPMENT

Movements for each class of property, plant and equipment are as follows:

	Furniture and office equipment	Leasehold Improvements	Computers	Total
Cost				
Balance at 1 July 2012	471,218	182,975	103,012	757,205
Additions	7,457	-	22,370	29,827
Disposals	(505)	-	(1,949)	(2,454)
Balance at 30 June 2013	478,170	182,975	123,433	784,578
Balance at 1 July 2013	478,170	182,975	123,433	784,578
Additions	1,461	-	8,195	9,656
Disposals	(4,254)	-	(32,443)	(36,697)
Balance at 30 June 2014	475,377	182,975	99,185	757,537
Accumulated depreciation and impairment losses				
Balance at 1 July 2012	301,971	128,405	77,227	507,603
Depreciation expense	120,993	23,850	18,553	163,396
Eliminate on disposal	(450)	-	(1,949)	(2,399)
Impairment losses	-	-	-	-
Balance at 30 June 2013	422,514	152,255	93,831	668,600
Balance at 1 July 2013	422,514	152,255	93,831	668,600
Depreciation expense	47,298	14,358	16,166	77,822
Eliminate on disposal	(4,254)	-	(32,334)	(36,588)
Impairment losses	-	-	-	-
Balance at 30 June 2014	465,558	166,613	77,663	709,834
Carrying amounts				
At 30 June 2013	55,656	30,720	29,602	115,978
At 30 June 2014	9,819	16,362	21,522	47,703

PARTNERSHIP WELLINGTON TRUST INC

NOTES TO THE FINANCIAL STATEMENTS

12 INTANGIBLE ASSETS

Movements for each class of intangible asset are as follows:

	Software	WellingtonNZ Website	Texture Website	Total
Cost				
Balance at 1 July 2012	59,725	381,496	76,635	517,856
Additions	4,711	-	-	4,711
Disposals	-	-	-	-
Balance at 30 June 2013	64,436	381,496	76,635	522,567
Balance at 1 July 2013	64,436	381,496	76,635	522,567
Additions	11,317	-	-	11,317
Disposals	-	-	-	-
Balance at 30 June 2014	75,753	381,496	76,635	533,884
Accumulated amortisation and impairment losses				
Balance at 1 July 2012	55,232	363,967	76,635	495,834
Amortisation expense	2,839	17,529	-	20,368
Disposals	-	-	-	-
Balance at 30 June 2013	58,071	381,496	76,635	516,202
Balance at 1 July 2013	58,071	381,496	76,635	516,202
Amortisation expense	5,816	-	-	5,816
Disposals	-	-	-	-
Balance at 30 June 2014	63,887	381,496	76,635	522,018
Carrying amounts				
At 30 June 2013	6,365	-	-	6,364
At 30 June 2014	11,866	-	-	11,865

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

All software is externally acquired and not internally generated.

PARTNERSHIP WELLINGTON TRUST INC

NOTES TO THE FINANCIAL STATEMENTS

13 FINANCIAL INSTRUMENTS

(a) Carrying value of financial instruments

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

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

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

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

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

(b) Risk management analysis

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

(i) Credit risk

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

The Trust at balance date has trade debtors and other receivable balances past due at the reporting date, however management have determined no provision (i.e. impairment) is required. All receivable amounts are reported to be received in due course (refer to note 5).

(ii) Liquidity risk

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

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

2014					
<i>Contractual cash flows of financial instruments held</i>	Carrying amount	Contractual cash flows	Less than 1 year	1 - 2 years	2- 6 years
Assets					
Cash and cash equivalents	641,513	641,513	641,513	-	-
Short term deposits	400,000	418,400	418,400	-	-
Trade debtors and other receivables	513,383	513,383	513,383	-	-
	<u>1,554,896</u>	<u>1,573,296</u>	<u>1,573,296</u>	<u>-</u>	<u>-</u>
Liabilities					
Trade creditors and other payables	907,663	907,663	907,663	-	-
Current tax payable	-	-	-	-	-
Operating leases	-	647,011	317,353	195,015	134,643
Capital commitments	-	-	-	-	-
	<u>907,663</u>	<u>1,554,674</u>	<u>1,225,016</u>	<u>195,015</u>	<u>134,643</u>
Net liquidity position	<u>647,233</u>	<u>18,622</u>	<u>348,280</u>	<u>(195,015)</u>	<u>(134,643)</u>

PARTNERSHIP WELLINGTON TRUST INC

NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL INSTRUMENTS (continued)

2013 <i>Contractual cash flows of financial instruments held</i>	Carrying amount	Contractual cash flows	Less than 1 year	1 - 2 years	2- 6 years
Assets					
Cash and cash equivalents	1,378,153	1,378,153	1,378,153	-	-
Short term deposits	400,000	417,600	417,600	-	-
Trade debtors and other receivables	494,473	494,473	494,473	-	-
	2,272,626	2,290,226	2,290,226	-	-
Liabilities					
Trade creditors and other payables	1,706,015	1,706,015	1,706,015	-	-
Current tax payable	-	-	-	-	-
Operating leases	-	793,564	372,230	223,572	197,762
Capital commitments	-	-	-	-	-
	1,706,015	2,499,579	2,078,245	223,572	197,762
Net liquidity position	566,611	(209,353)	211,981	(223,572)	(197,762)

14 RELATED PARTY TRANSACTIONS

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

(a) Parent and ultimate controlling party

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

(b) Transactions with related parties

Wellington City Council	2014 \$	2013 \$
Council Funding	6,597,512	6,469,768
Services provided by the Council	105,019	10,619
Rent paid for Council premises	116,019	115,446
Accounts payable to the Council	360	424
Accounts receivable from the Council	88,585	15,098

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

(c) Key management personnel

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

	2014 \$	2013 \$
Key management personnel compensation	392,701	385,960
Board of Trustees Fees	82,500	95,000

Key management personnel includes the Chief Executive and Senior Management.

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

From time to time the Trust may engage the services of another entity where a Board member also has a relationship with that entity. The value of transactions with entities considered to be related parties during the year was \$8,035 (2013: \$61,253). Balances outstanding to related parties at balance date was nil (2013 \$10,000).

(d) The Trust's related party transactions during the year were made on normal commercial terms and on an arms length basis, and no amounts owed by related parties have been written off or forgiven during the year.

PARTNERSHIP WELLINGTON TRUST INC

NOTES TO THE FINANCIAL STATEMENTS

(d) Board Member Remuneration

The total value of remuneration paid or payable to each Board member during the year was:

	2014	2013
	\$	\$
J Milford	-	10,000
H Greive	21,250	15,000
R Pretty	-	7,500
J Coughlan	6,250	15,000
P Monk	-	7,500
M O'Donnell	12,500	17,500
S Gibbs	15,000	7,500
E Sims	12,500	7,500
C Wilkinson	15,000	7,500
Total Board member remuneration	82,500	95,000

15 CAPITAL MANAGEMENT

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

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

16 OPERATING LEASE COMMITMENTS

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

The future aggregate minimum lease payments payable under non-cancellable leases are as follows:

	2014	2013
	\$	\$
Payable not later than one year	317,353	222,173
Payable later than one, not later than two years	195,015	146,665
Payable later than two, not later than five years	134,643	37,162
Payable later than five years	-	-
Total	647,011	406,000

Minimum operating lease payments expensed in the period included premises rental of \$318,362 (2013: \$321,128)

Sharp Corporation of New Zealand, Fleetpartners New Zealand and Smartpay Rental Services Ltd hold securities over the assets of Partnership Wellington Trust Inc. for leased assets held.

17 CAPITAL COMMITMENTS

The Trust has no major budgeted capital commitments for the 2014/2015 financial year.

18 CONTINGENCIES

The Trust has no contingent liabilities at balance date (2013: None).

19 EVENTS AFTER THE BALANCE DATE

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

PARTNERSHIP WELLINGTON TRUST INC

NOTES TO THE FINANCIAL STATEMENTS

20 EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanation for significant variances from the Trust's budgeted figures in the 2013/2014. Statement of Intent are as follows:

(a) Statement of Comprehensive Income

A reduction in i-SITE Visitor Centre income relative to budget has been predominantly the impact of reduced activity at the Interislander i-SITE. Some changes in staffing coupled with Interislander services being disrupted by various events throughout the year have contributed to this result. Stringent cost control has minimised the net impact.

(b) Statement of Changes in Equity

There is minimal difference between actual and last year.

(c) Statement of Financial Position

End of year Financial Position closed at a similar position to last year.

(d) Statement of Cash Flows

Increased cash position at previous year end was applied to July 2013 creditors payments.

**Statement of Service Performance 2013/14
For the Year Ended 30 June 2014**

1. Objectives of the Trust

The Trust Deed outlines:

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

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

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

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

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

Leadership

- Leading Wellington's tourism industry growth and development in an innovative and vibrant way. Developing and defining industry strategy is central to the leadership activity. PWT will hold strong relationships with the private sector to inform and influence the sector to take actions which are consistent with the broader visions of Wellington city.

- Participating in the tourism industry nationally to ensure that the public and private investment made in PWT is able to be best leveraged in regards to commercial, policy and strategy decisions of national organisations and government.

Online/Digital Tourism Distribution

- Ensuring that Wellington has a high profile and highly effective online tourism presence, both to New Zealanders and international travellers, with maximum ability to convert consumer interest into purchasing Wellington visitor experiences, both as they plan their Wellington experience and when they arrive in our city.
- Optimise the user experience for consumers searching for information about Wellington; be they potential tourists, event attendee, investors or migrants.
- Our digital activity demonstrates WCC's vision for Wellington as a Connected City.

i-SITE Visitor Centre

- Operating an i-SITE Visitor Centre in the city is a core function and this function is extended to providing an i-SITE service on board the Interislander vessel, Kaitaki. The purpose of providing these services is to motivate visitors to stay longer and do more whilst in Wellington, leaving our city with the greatest of experiences.
- Provide i-SITE visitor services in other parts of Wellington city, particularly in respect of information provision for the growing number of cruise ship visitors utilising a community volunteer programme.

International Marketing

- Coordinating the international marketing activities of those attractions and events in which Wellington City Council have invested and from which a stated outcome is that international visitors will be attracted to buy tickets/access to those attractions/events. At the same time supporting the commercial performance of these attractions/events and assisting in the vision of Wellington being a vibrant and internationally competitive city.
- Market Wellington as a compelling visitor destination in targeted long haul markets – those which are already important and notably to Asian markets, in activity which complements the work we carry out with Wellington International Airport to further the goals of the Long Haul strategy.
- Work with Wellington International Airport and airlines to ensure better connectivity in long haul markets by working on the development of long haul air services, either via Australia or direct to Wellington.

Convention Bureau

- Marketing Wellington as a leading conference and convention destination to the New Zealand and Australian markets, maximising the opportunity provided by Council and other CCO's investment in facilities and services dedicated to this purpose.

New Zealand Marketing

- PWT will deliver targeted marketing programmes and campaigns to the New Zealand market which maintain the city's position as the premier urban destination in New Zealand, working with the Wellington City Council's Event team and the key visitor attractions in Wellington.

Downtown Marketing

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

- Sharing information about new and exciting city centre activities through utilisation of our KNOW Wellington databases.

Australia Marketing

- Marketing Wellington at both consumer and trade levels in the Australian market and maximising the opportunity to leverage Wellington City Council's investment in this market through working with strategic partners such as Tourism New Zealand, neighbouring regions, WIAL, airlines and local industry partners who have shared objectives.
- Ensuring better connectivity with Australia by encouraging increased air capacity, new route development and competition.

Event Marketing and Development

- Support event development and add value to the event programme with targeted marketing and promotions support.
- Working closely with Wellington City Council on event development and jointly establishing and applying criteria to further develop the city's understanding of the economic, social and other benefits of events.
- Provide support and services to key event organisations (such as the Hertz Sevens and World of WearableArt™ Awards Show, Te Papa Tongarewa, annual St Kilda AFL fixture and promote events such as Visa Wellington on a Plate).

Communications

- Leveraging marketing activity and key city messages by way of a highly active communications plan which reinforces the marketing activities of PWT through all types of media in New Zealand and beyond.

Research

- Ensuring Wellington's tourism dataset and information use is consistent with industry best practice. This ensures informed marketing and product development decision-making both for the Trust and as an information source for other agencies and private enterprise in Wellington.
- To work with the New Zealand tourism sector to improve the quality of information available to inform our marketing investment decisions.

Product Development

- PWT works with both existing businesses and new propositions providing information, networks and advice. This work particularly extends to activity regarding attractions/developments/events in which the City Council has invested and those things which will attract more visitors or more frequent visits. This work extends to helping clusters of Wellington businesses and other entities find collective ways to market their products.

Partnership/Relationships

- Maintaining a strong private/public sector funding approach to the Trust's work and through developing i-SITE income, partnership and joint venture programmes, maintain Wellington City Council's investment as being no more than 50% of PWT's income (outside of funding for carrying out the Destination Wellington programme).
- Maintaining strong relationships with relevant public and private sector interests, most notably Wellington City Council and its subsidiary organisations/Trusts/CCOs etc.

The Destination Wellington programme

- Provide marketing activities and campaigns which target agreed business niches in targeted destinations so as to provide a platform for conversion of interest in our city to actual inward arrival of investment, talent and flow of students into Wellington.
- Work with our project partners to use this platform to significantly contribute to the outcomes targeted in WCC Economic Development Strategy.

3. Performance Indicators

The 2013-14 year has been a challenging one for the tourism sector in Wellington. These challenges came after a 2012-13 year that featured some very significant high points, not least of which was the premiere of the first *Hobbit* film that was hosted in the city in November 2012 creating unprecedented digital interest in Wellington.

Following a very strong start to 2013 Wellington's visitor economy was rocked by two earthquakes in July 2013 that stalled the growth of visitor numbers for a short period at least diminishing the propensity of individuals from near and far to visit our city.

Business events were reduced in number as the Town Hall was taken out of use and a significant hotel venue was closed for convention business. During the latter part of 2013 whilst domestic leisure visitors still arrived for big events such as the World of Wearable Arts Awards Show and a Bledisloe Cup Test, other weekends without particular events were much slower as visitors for a period avoided the perceived risk of earthquakes.

Contrarily international visitors unaware of the tremors felt in Wellington increased as New Zealand enjoyed a rebound in visitation from western markets and Wellington was able to maximise the significant impact of exposure to these markets delivered through the premiere of the *Hobbit* trilogy

a. General KPIs

Measuring Performance

Measure	Frequency of Measure	Target 13/14	Result
Organisational	Annual	Maintain Wellington City Council core funding at 50% or less of Wellingtons marketing activity investment.	Wellington City Council funding was 43.2% of our total marketing investment made through PWT activity in the 2013/14 year.
	Annual	Maintain overhead costs as less than 12% of total activity costs including partnership investments.	Overhead costs were \$933,078 which was 7.2% of total activity costs.
Australia Sales and Marketing	Annual	Recognition of Wellington as a visitor destination in targeted regions of Australia has risen over levels measured (after one full year of activity) in March 2013.	A survey of Australian travellers found that 65% of respondents felt their knowledge of what Wellington has to offer as a visitor destination had declined when compared to the same survey in 2013 (74%).
	Quarterly	Increase Australian visitor arrivals through Wellington International Airport over 2012/13 levels by 5%.	Australian visitor arrivals to Wellington Airport increased 0.6% to 139,056 in the 2013/14 year compared to the same period in 2013. <i>(Source: International Visitor Arrivals)</i>
	Quarterly	Airline capacity maintained at least 2012/13 levels.	Trans-Tasman capacity decreased by 0.85% to 970,716 seats. <i>(Source: Wellington International Airport Limited)</i>
Convention Bureau Sales and Marketing		Increase leads/referrals generated to Convention Bureau	Leads and referrals decreased by 20% <i>(Source: Salesforce reporting, PWT)</i>

		partners by 2% relative to 2012/13.	
		Maintain Wellington's Convention & Incentive market share within the New Zealand market to 20% of the national share of the multi day conference market.	Wellington's C&I multi-day market share for the year ended March 2014 at 20%. <i>(Source: Convention Activity Survey)</i>
Downtown Marketing	Quarterly	Weekend visitation to downtown Wellington maintained at 2012/13 levels.	Downtown Wellington weekend visitation declined 1.09% compared with 2012/13. <i>(Source: BNZ MarketView)</i>
	Quarterly	Increase the KNOW Wellington audience (social media and KNOW eNews) by 15% to 115,000.	The current KNOW Wellington audience exceeds the target set by 27%, finishing the year at 146,554.
International	Quarterly	Increase international commercial guest nights Wellington relative to 2012/13 by 1%.	Commercial international guest nights for the 11 months to May 2014 increased 2.6% to 647,360 compared to 2012/13. <i>(Source: Commercial Accommodation Monitor)</i>
	Annual	Resulting from provision by WCC of an incentive fund and attendance at World Routes and Routes Asia 2013/14, we will meet with all airlines for whom there is a business case to take up the incentive fund and provide each with a business proposition.	In March 2014, PWT and WIAL attended Routes Asia in Kuching, Malaysia. Meetings were held with ten potential airline partners and bespoke business cases were prepared for each. Follow up is now being undertaken with all airlines.
	Annual	Increase Wellington's cruise passenger visitors in 2013/14 by	Cruise passenger arrivals to Wellington declined by 16% to 143,938 passengers

		5% relative to 2012/13.	during the 2013/14 season. (Source: Centreport)
New Zealand and Event Marketing	Quarterly	Increase domestic commercial guest nights in Wellington city by 2% relative to 2012/13.	Commercial domestic guest nights declined by 1.5% to 1,273,013 in the 11 months to May 2014. (Source: Commercial Accommodation Monitor)
	Quarterly	Increase weekend rooms sold in partner hotels by 2% relative to 2012/13.	Weekend room nights sold decreased 2% for the year ended June 2014 compared to 2013. (Source: PWT Hotel Monitor)
Digital Marketing	Quarterly	Increase total website visits to WellingtonNZ.com by 10% relative to 2012/13.	Visits to WellingtonNZ.com decreased by 5% to 2,364,283. (Source: Google Analytics)
	Quarterly	Increase Wellington's subscribed audience by 5% (e-newsletter and social media subscribers across all areas) to 215,000.	Wellington's subscribed audience increased to 250,079, 16% ahead of target.
Product Development	Annual	Launch and market the Wellington & Wairarapa Cycle 'Great Ride' by June 2014.	The Rimutaka Cycle Trail, the 22nd 'Great Ride' in Nga Haerenga – The New Zealand Cycle Trail, was launched on Wednesday 23rd October 2013 by the Rt Hon John Key, Prime Minister and Minister of Tourism. See: www.rimutakacycletrail.com
i-SITE Visitor Centre	Quarterly	Maintain i-SITE revenue relative to 2012/13.	Trading revenue in the year decreased by 14.4% to \$2.9m compared to 2012/2013.
	Annual	Increase proportion of sales of Wellington	Proportion of sales of Wellington product

		product by 2.5% relative to 2012/13.	increased 4.4% to 30.9% of total i-SITE sales.
	Quarterly	Visitors to the i-SITE maintained at 2012/13 levels.	302,262 people visited the i-SITE in the year, a decrease of 14.8% on 2012/13.
Destination Wellington		Deliver marketing programmes to raise knowledge of and interest in Wellington in target business sectors and geo-markets.	PWT led two key pieces of foundation work in 2013/2014 – an advertorial series with The Dominion Post and led the project to redevelop WellingtonNZ.com. The site is now a hub for an ‘all-of-Wellington’ approach targeting prospective visitors, businesses, students and residents.
		Destination Wellington collateral created and distributed to Wellingtons public agencies and businesses, communicated locally by a new channel to engage advocacy and support for and from wellington businesses and agencies.	Over the course of 2013/2014 the activity plan changed as the core PWT focus was on delivering the new WellingtonNZ.com site and collateral considerations converted to development of content such as a video series.
		New single consumer web portal for Wellington deployed that brings together content from Wellington City Council, Grow wellington and Positively Wellington Tourism.	The redeveloped WellingtonNZ.com was completed and deployed on 30 April 2014.

b. Financial KPIs

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

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

4. Trust Performance

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

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

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

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

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

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

5. Staff

As at year end 30 June 2014 there were 25 FTEs in the marketing office.

Staffing levels at the i-SITE will be approximately 9 - 11 FTEs, with seasonal adjustments to between 15 and 20 individual staff employed to cover high consumer demand periods and extended trading hours. As at year end 30 June 2014 there were 9 FTEs.

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

The Trust has no contingent liabilities as at 30 June 2014.

The Trust has a three year rental agreement for its office space in Plimmer Towers which expires in March 2017. The annual rental is \$166,913 + GST with two rights of renewal for three years at the Trust's discretion.

The Trust has a three year rental agreement for its Visitor Centre space in the WCC CAB building which expires in August 2015. The annual rental is \$116,019 + GST.

Partnership Wellington Trust has one three year lease on a vehicle which expires in 2015. The annual cost of the lease is \$8,472 + GST.

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

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

Total assets at 30 June 2014 were \$1,660,618

Total liabilities at 30 June 2013 were \$1,152,969

Total assets to total liabilities at 30 June 2013 were 1.4:1.

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

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

7. New Zealand equivalents to International Reporting Standards

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

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

The Trust does not distribute surplus.

8. Compensation

The Trust received funding/compensation from the Wellington City Council of \$6,597,512 in the financial year ended 30 June 2014.

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

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

Nil

Signed



**Howard Greive
Chair**

Date

REPORTS FROM COUNCIL CONTROLLED ORGANISATIONS FOR THE QUARTER ENDING 30 SEPTEMBER 2014

Purpose

1. To provide reports from Basin Reserve Trust, Positively Wellington Tourism, Positively Wellington Venues, and Wellington Museums Trust for the quarter ended 30 September 2014. The Wellington Regional Stadium Trust submits written reports half-yearly.

Summary

2. This report includes the quarterly updates from the above Council Controlled Organisations (CCOs) and affiliated entities for the quarter ended 30 September 2014.

Recommendation/s

That the Economic Growth and Arts Committee:

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

Background

3. It is a requirement of the Local Government Act 2002 (the Act) that where the Council is a shareholder in a Council Organisation it must regularly undertake performance monitoring of that organisation to evaluate its contribution to the achievement of:
 - the Council's objectives for the organisation;
 - the desired results, as set out in the organisation's Statement of Intent; and
 - the Council's overall aims and outcomes.
4. The organisations included in this report are:
 - Basin Reserve Trust (BRT)
 - Positively Wellington Tourism (PWT)
 - Positively Wellington Venues (PWV)
 - Wellington Museums Trust (WMT)
5. The Wellington Regional Stadium Trust (WRST) submits written reports half-yearly. WRST is not a CCO but is included in this reporting framework because of the materiality of the Council's financial commitment to the entity and because of the entity's contribution to Council outcomes.

Discussion

6. If the Committee needs to clarify the information presented or requires additional assistance with its monitoring role, it can ask officers or the Chair of the Committee to seek responses from the Board Chair.

Attachments

Attachment 1.	Basin Reserve Trust Officer Summary and Report	Page 66
Attachment 2.	Positively Wellington Tourism Officer Summary and Report	Page 74
Attachment 3.	Positively Wellington Venues Officer Summary and Report	Page 94
Attachment 4.	Wellington Museums Trust Officer Summary and Report	Page 102

Authors	Richard Hardie, Portfolio Manager Warwick Hayes, CCO Project Manager
Authoriser	Derek Fry, Director City Growth & Partnerships

SUPPORTING INFORMATION

Consultation and Engagement

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.

BASIN RESERVE TRUST

Q1 REVIEW TO 30 SEPTEMBER 2014

QUARTER PERFORMANCE	YEAR TO DATE PERFORMANCE
<p>Q1 is typically the quietest period in terms of sports and other events held at the Basin Reserve.</p> <p>The Trust is making good progress on the development of a Master Plan for the Basin Reserve that sets out a shared vision for the ground over the next 25 years. The Master Plan is expected to be completed in Q2. The steering group is developing its plans to present the plan to Council's Executive Leadership Team and Councillors in November.</p> <p>The cricket programme for the 2014/15 season has been negotiated successfully with NZ Cricket and will include 1 of only 2 test matches (Sri Lanka) to be played in New Zealand this year, and 4 home domestic one-day matches.</p>	<p>Events</p> <ul style="list-style-type: none"> 6 club rugby matches. <p>Training</p> <ul style="list-style-type: none"> There were no training days. <p>Repairs and Maintenance</p> <ul style="list-style-type: none"> A programme of operational and capital work has been drafted in line with the priorities identified in the Facilities Management Plan. Implementation of this work has begun. Funding was allocated in the mid-term capex review to renew ground keeping facilities and address health and safety issues. This project is underway. <p>Other activity</p> <ul style="list-style-type: none"> The Trust continues to work on securing a naming rights sponsor for the Basin Reserve.

SUMMARY FINANCIALS							
FINANCIAL PERFORMANCE	Q1 Actual	Q1 Budget	Variance	YTD Actual	YTD Budget	Variance	FYE
Total Revenue	185	180	5	185	180	5	548
Operating Expenses	100	117	17	100	117	17	568
Net Surplus	85	63	22	85	63	22	20
FINANCIAL POSITION							
Total Assets				888	911	(23)	843
Total Liabilities				38	41	(3)	55
Equity				850	870	(20)	788
CASH FLOWS							
Total Net Cash Flows				72	110		70
Opening Cash				110	80		80
Closing Cash				182	190		150
<p>The Trust had an operating surplus for the quarter of \$85k after allowing for depreciation of \$22k, \$22k ahead of budget.</p> <p>Income of \$185k was \$5k ahead of budget as a result of increased ground utilisation during the rugby season.</p> <p>Expenditure for the quarter of \$100k was \$17k (15%) better than budget as a result of some maintenance projects being delayed due to further investigation of the scope of the projects.</p>							

CONTACT OFFICER

RICHARD HARDIE

BASIN RESERVE TRUST

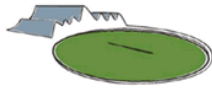
Q1 REVIEW TO 30 SEPTEMBER 2014

KPI DASHBOARD					
MEASURE		Q1	YTD	3 Year	Comments
		30 Sep 14	30 Sep 14	Trend	
Cricket Events	Target	0	0	Steady	Cricket begins at the Basin in Q2
	Actual	0 ✓	0 ✓	→	
Other Sports Events	Target	4	4	Steady	The figure for other sports events has been affected by the closure of the ground over the last two winter seasons for repairs and drainage work. However, the ground was available again for winter sporting codes from 2014.
	Actual	6 ✓	6 ✓	→	
Community Events	Target	0	0	Steady	
	Actual	0 ✓	0 ✓	→	
Cricket Event Days	Target	0	0	Steady	
	Actual	0 ✓	0 ✓	→	
Other Sports Events Days	Target	4	4	Steady	
	Actual	4 ✓	4 ✓	→	
Community Event Days	Target	0	0	Steady	
	Actual	0 ✓	0 ✓	→	
Practice Facility Usage Days	Target	0	0	NA	This was a new measure in 2013/14 so no trend data is available. Cricket practice begins in Q2.
	Actual	0 ✓	0 ✓		
Numbers attending events	Target	800	800	Steady	
	Actual	1,200 ✓	1,200 ✓	→	

ISSUES & OUTLOOK
<p>The Master Plan for the Basin Reserve will be finalised in Q2. The Trust will continue working with officers to prepare project and funding documentation as part of the Council's Long Term Plan, and on plans to present the vision to key stakeholders and the public.</p> <p>The Trust received funding through the mid-term capex review to renew the ground keeping facilities. This project is underway and is expected to be completed in Q4.</p> <p>Preparations continue for hosting teams at the Basin Reserve during Cricket World Cup 2015.</p>

CONTACT OFFICER

RICHARD HARDIE



Basin Reserve Trust

BASIN RESERVE TRUST

REPORT NO. 1

2014 - 2015

Prepared for Wellington City Council

For the 1st Quarter 2014-15

Signed _____

Date _____

**Basin Reserve Trust
Report No. 1**

For the quarter to 30 September 2014

1. **OVERVIEW**

The three month period under review generally relates to a period of minimal use of the Basin Reserve, given the winter months. Nonetheless the Trust remains active in the following areas:

Trust Meetings

The Trust met formally as part of its bi-monthly programme, on 8 August.

Basin Reserve "Master Plan"

A significant focus for the Trust has been the progression of a "Master Plan", which sets out a shared vision for the ground over the next 25 years. The Trust has established a small committee, including representatives from the Council and Cricket Wellington, to develop a plan to retain and enhance the venue as both a premier international cricket ground, and a community recreation space. The plan also articulates the process required to implement this strategic thinking.

The Committee has engaged with stakeholders including Westpac Stadium, NZ Cricket, and Heritage NZ. It is planned that a final proposal is submitted to Council, for strategic and funding support, by the end of 2014.

Maintenance Priorities

The Trust has begun work on a number of deferred maintenance tasks, most immediately is an investigation of the condition of the roof of the RA Vance Stand. The maintenance works are programmed to continue throughout the financial year.

NZTA – Basin Bridge appeal

Following the Board of Inquiry decision in late July to decline the NZTA application, the Trust received legal advice on the decision, and determined not to join the NZTA appeal (consequently filed).

The Trust's position is unchanged in the wake of the Board decision, and it will remain an interested observer to the further progress of the appeal.

Audit 2014

The Trust's audit was completed by Audit NZ in September 2014, with no issues highlighted.

Naming Rights Sponsor

The Trust acknowledges a need for a new naming rights sponsor for the ground, however it is also realistic as regards the likely timeframe. The Trust has set itself a target of April 2015 to secure the same, although it notes that the work of the "Master Plan" committee is such that it believes it will have a more attractive and valuable offer for potential sponsors, should the Master Plan be accepted and investment confirmed.

Cricket Programme 2014-15

The cricket programme for the 2014-15 summer is traditionally negotiated with NZC through the winter. This year the issue has been dominated by the commitment to Cricket World Cup 2015, and the Basin's role in providing a training venue for matches played in Wellington during the tournament. This in turn means that the venue is exclusively the domain of CWC2015 for approx. 7 weeks through February and March 2015.

Nonetheless the Trust has secured one of only two international test matches this summer, with NZ to play Sri Lanka from 3 - 7 January 2015. Additionally, the one-day domestic competition (the Ford Trophy) has been moved by NZC into the family-friendly holiday period, meaning that the Basin Reserve will host four home matches of domestic one-day cricket immediately after the test match, ending on Wellington Anniversary Weekend. There is therefore an excellent opportunity to showcase the Basin Reserve to

both locals and visitors alike for an extended period of the summer holidays (the Wellington Firebirds are the defending champions for this trophy). The Trust along with Cricket Wellington will be discussing this opportunity with Council's Events staff over the coming weeks.

2. OPERATIONS

2.1 *Performance Analysis*

Events

- 6 x club rugby matches played over 4 playing days

2.2 *Performance Measures*

The actuals against budget are attached.

3. FINANCIAL REPORT

Financial accounts are attached.

Basin Reserve Trust Financial Results 2014/15

(\$,000's)	Actual Q1 2014/15	Budget Q1 2014/15	Variance Q1 2014/15	Actual YTD 2014/15	Budget YTD 2014/15	Variance YTD 2014/15	2014/15 Budget Full Year	2013/14 Actual Prev Q1
Statement Of Comprehensive Income								
Income								
<i>Grant Income</i>	178	178	-	178	178	-	355	178
<i>Ground Hire Income</i>	2	-	2	2	-	2	122	19
<i>Other Income</i>	3	1	2	3	1	2	68	25
<i>Interest Income</i>	2	1	1	2	1	1	3	1
Total Income	185	180	5	185	180	5	548	223
Expenditure								
<i>Building Expenses</i>	9	19	10	9	19	10	81	11
<i>Ground Expenses</i>	16	30	14	16	30	14	141	(1)
<i>Occupancy Expenses</i>	25	24	(1)	25	24	(1)	120	20
<i>Event Running Expenses</i>	4	3	(1)	4	3	(1)	40	1
<i>Administration Expenses</i>	23	21	(2)	23	21	(2)	98	58
<i>Other Expenses</i>	1	-	(1)	1	-	(1)	8	32
<i>Finance Costs</i>	-	-	-	-	-	-	-	-
<i>Depreciation</i>	22	20	(2)	22	20	(2)	80	50
Total Expenditure	100	117	17	100	117	17	568	171
Total Comprehensive Income (Deficit) for the Period	85	63	22	85	63	22	(20)	52

Basin Reserve Trust Financial Results 2014/15

(\$,000's)	Actual Q1 2014/15	Budget Q1 2014/15	Variance Q1 2014/15	Actual YTD 2014/15	Budget YTD 2014/15	Variance YTD 2014/15	2014/15 Budget Full Year	2013/14 Actual Prev Q1
Statement of Financial Position								
<i>Total Non Current Liabilities</i>				-	-	-	-	-
<i>Total Current Liabilities</i>				38	41	(3)	55	81
<i>Total Trust Funds</i>				850	870	(20)	788	1,000
Total Trust Funds and Liabilities				888	911	(23)	843	1,081
Assets								
<i>Non Current Assets</i>				703	678	25	668	843
<i>Current Assets</i>				185	233	(48)	175	238
Total Assets				888	911	(23)	843	1,081
Statement of Cash Flows								
<i>Net Cash Flows from Operating Activities</i>				76	110	(34)	120	100
<i>Net Cash Flows from Investing Activities</i>				(4)	-	(4)	(50)	-
<i>Net Cash Flows from Financing Activities</i>				-	-	-	-	-
Net Increase (Decrease) in Cash Held				72	110	(38)	70	100
<i>Cash at the Beginning of Year</i>				110	80	30	80	82
Cash at the End of Period				182	190	(8)	150	182

Basin Reserve Trust Performance Targets 2014/15

	Actual Q1 2014/15	Budget Q1 2014/15	Variance Q1 2014/15	Actual YTD 2014/15	Budget YTD 2014/15	Variance YTD 2014/15	2014/15 Budget Full Year	2013/14 Actual Prev Q1
Administrative								
<i>Achieve targets within allocated budgets</i>		Annual			Annual		Annual	
<i>Comply with financial, technical and regulatory standards</i>	Achieved	Quarterly		Achieved	Quarterly		Quarterly	Achieved
<i>Asset management plan carried out</i>	Achieved	Quarterly		Not Achieved	Quarterly		Quarterly	Not Achieved
Operating - Number of Events								
<i>Cricket</i>	0	0	0	0	0	0	10	0
<i>Other Sports</i>	6	4	2	6	4	2	10	0
<i>Community</i>	0	0	0	0	0	0	2	0
Operating - Number of Event Days								
<i>Cricket</i>	0	0	0	0	0	0	26	0
<i>Other Sports</i>	4	4	0	4	4	0	10	0
<i>Community</i>	0	0	0	0	0	0	2	0
<i>Numbers attending events</i>	1,200	800	400	1,200	800	400	29,800	0
<i>Hirer satisfaction with venue and events</i>	Achieved	Quarterly		Achieved	Quarterly		Quarterly	Achieved
<i>Playing surface to be maintained to an international standard</i>		Annual			Annual		Annual	
<i>Council subsidy per visitor</i>								
Financial								
<i>Results within budget</i>	Achieved	Achieved		Achieved	Achieved		Achieved	Not Achieved
<i>Capital expenditure - within budget</i>	Not Achieved	Achieved		Not Achieved	Achieved		Achieved	Achieved
<i>Council % of revenue ratio</i>	96%	99%		96%	99%		65%	80%
<i>Event income</i>	\$2,000	\$500		\$2,000	\$500		\$121,500	\$19,000
<i>Non-event income as a % of total income</i>	99%	99%		99%	99%		78%	91%
<i>Business plan developed</i>		Annual			Annual		Annual	

PARTNERSHIP WELLINGTON TRUST

Q1 REVIEW TO 30 SEPTEMBER 2014

QUARTER IN REVIEW	Q1 REVIEW cont.
<p>Business Events have managed to secure almost five million dollars' worth of business for the city in the quarter.</p> <p>The successful United Football Tour held on the 26 July at Westpac Stadium increased hotel occupancy by 24% in comparison to the same period for the previous year.</p> <p>Quarter 1 saw the launch of the first Multilanguage version of WellingtonNZ.com, with Simplified Mandarin being the first release.</p> <p>A particular highlight of this quarter has been significant development in the working relationship and activities undertaken with the tourism arm of Weta Workshop.</p> <p>The campaign for Tyrannosaurs – Meet the Family was launched in partnership with Te Papa in September.</p> <p>PWT management has been an integral part of the team developing the proposal for the Hilton hosted Wellington Convention Centre development and its sales team looks forward to being able to sell this new space for the future.</p>	<p>The events team have worked closely with a range of stakeholders and particularly the Council Events team creating detailed plans and programmes for events over the summer and through 2015.</p> <p>An itinerary featuring Wellington and the South Island including the Interislander was introduced 12 months ago to the Chinese market and is proving popular. Regional Tourism Indicator data from Paymark credit card spending indicates strong growth from Chinese visitors to Wellington.</p>

SUMMARY FINANCIALS							
* Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget							
FINANCIAL PERFORMANCE	Q1 Budget	Q1 Actual	Variance	YTD Budget	YTD Actual	Variance	FY Budget
(\$'000)	30 Sep 14	30 Sep 14	30 Sep 14	30 Sep 14	30 Sep 14	30 Sep 14	30 Jun 15
Total Revenue	2,771	2,536	-234 ✗				11,075
Operating Expenses	2,465	2,123	342 ✓				11,072
Net Surplus	306	413	107 ✓				3
FINANCIAL POSITION							
Total Assets	2,772	3,025	253 ✓				1,354
Total Liabilities	1,960	2,104	144 ✗				845
Equity	812	921	109 ✓				509
CASH FLOWS							
Total Net Cash Flows	1,229	791	-438 ✗				-161
Opening Cash	1,210	1,778	568 ✓				1,210
Closing Cash	2,439	2,569	130 ✓				1,049
<p>Revenue was down on budget by \$234k but expenses were also lower (by \$342k) causing a positive variance in the Q1 net surplus of \$107k over budget. In cash terms, the Trust's operating cash flow was \$406k below budget due to different phasing (in the budget) of grant funding. While this translated to net cash flows of \$791k for the quarter (a negative \$438 variance on forecast), the position will normalise during the year. The balance sheet variances are immaterial in the context of the Trust's trading performance.</p>							

CONTACT OFFICER

WARWICK HAYES

PARTNERSHIP WELLINGTON TRUST

Q1 REVIEW TO 30 SEPTEMBER 2014

KPI DASHBOARD					
<p>✓ Achieved ✗ Not Achieved. The 3 Year Trend = year on year actual/nominal performance → Steady ↗ Improving ↘ Declining</p> <p>The table contains a selection of KPIs and is not a complete list. The KPI is a percentage change measure against the same period last year.</p>					
MEASURE *		Q1	YTD	3 Year	
		30 Sep 14	30 Sep 14	Trend	Comments (on trend)
WCC grant max 50% Wellington marketing.	Actual	10.5% ✓		→	This is a constant metric that the Trust observes in leveraging its Wellington marketing spend. The current measure is timing related and will normalise.
	Target	50.0%			
Maintain market share in conventions (multi-day delegate days)	Actual	-3.0% ✗		→	While this trend is interpreted as static, looking to the future this is expected to strengthen with the development of a purpose built convention centre.
	Target	0.0%			
Australian arrivals to Wellington	Actual	+6.2% ✓		→	Australian visitor arrivals to Wellington have reached a plateau following several years of steady improvement.
	Target	+3.0%			
Downtown retail & hospitality spending by visitors*	Actual	+19.3% ✓		n/a*	Retail and Hospitality spending by visitors increased 19.3% in the first quarter compared the same quarter of last year. This is a new measure*.
	Target	0.0%			
International visitor spending**	Actual	+20.0% ✓		n/a**	International visitor spend increased 20% in the September quarter compared to the same period in 2013. This is a new measure**.
	Target	+2.0%			
Paid Visitor Nights – International	Actual	13.5% ✓		→	This trend is static at best with some apparent downward pressure becoming more pronounced.
	Target	+2.0%			
Paid Visitor Nights – Domestic	Actual	5.1% ✓		→	This trend has change from upward to static following a weaker 2014 performance than expected.
	Target	+2.0%			
Weekend rooms sold in partner hotels	Actual	+3.0% ✓		→	As with domestic visitor nights, the trend has changed from upward to static following a weaker 2014 performance than expected.
	Target	+2.0%			

* Measurement of this KPI replaces the downtown visitation measurement that previously tracked electronic card transactions at a selection of retail outlets. The data now measures electronic card spend on retail and hospitality by visitors to Wellington. Source: Regional Tourism Indicators, MBIE.

** This is a new performance measure. Source: Regional Tourism Indicators, MBIE.

In the equivalent reporting period last year (Q1 2013) Wellington was rocked by earthquakes which stalled the tourism economy somewhat as local visitors cancelled trips to Wellington.

Wellington's market share of conventions multi-day delegate days for the June 2014 (latest available data) quarter was 20%. This was a decrease of 3% compared to the same period in 2013.

Rooms sold in partner hotels exceeded target in Q1 due in part to the Q1 2013 benchmark being impacted by earthquakes. Despite the upturn in Q1, this measure shows a generally static 3 year trend.

CONTACT OFFICER

WARWICK HAYES

ISSUES & OUTLOOK

Cruise New Zealand continues to anticipate significant growth in cruises to Wellington. The 2014/15 season commenced on 7 October with 142,000 passengers forecast across 80 ships.

With Christmas approaching, PWT has been working on this year's Wellington Advent Calendar launching 1 December. The aim of this campaign is to drive foot traffic into the CBD in the lead up to Christmas. From 1-24, a treat from a Wellington retailer, eatery or attraction is revealed. Of particular note this year, is the emphasis to engage CBD retailers to ensure an even split between hospitality and retail offers.

Ahead of Cricket World Cup 2015, PWT represented the Wellington Region & Wairarapa at KiwiLink India in July. Organised by Tourism New Zealand, 32 New Zealand companies and regions undertook 198 appointments each with a total of 500 Indian travel sellers across Chennai, Hyderabad, Mumbai and New Delhi. It is hoped that the new codeshare alliance between Air New Zealand and Singapore Airlines will result in higher visitor numbers from India as the market has been capacity-constrained for many years. An additional training day with 90 frontline agents was undertaken in Singapore.

Discussions on developing the former café space have been ongoing and a variety of potential partners are now involved in these discussions. Progress is now being made with Weta Workshop and the Department of Conservation as ideas and concepts are developed. In the interim, Urban Dream Brokerage have been engaged to activate the space with installations and three 'pop up' type events were hosted – Political Haircuts, Urban Bodies and The Hori – Dirty Laundry. Exterior signage is also being reviewed such that it will reflect better the Wellington brand and the partners that will enjoy space in the centre.

As noted in the annual review for PWT, while the Trust continues to operate in a business as usual manner, the pending establishment of the Wellington Regional Development Agency (WREDA) is a significant item on PWT's agenda in the current financial year (2014/15). The full implications of establishing WREDA and the implications for PWT will evolve quickly.

Positively Wellington Tourism

2014/15 – Quarterly Report (July – September 2014)

Summary

The first quarter of the 2014-15 year has for tourism visitation in Wellington been a successful one. In mid-2013 when a number of earthquakes hit Wellington it is clear that particularly during the latter part of 2013 there was an impact on visitor numbers and bookings for events and business events into 2014.

The ongoing uplift we have seen in this quarter of number of visitors and visitor spend in the city is positive and looks to be growth takes off from where we left off in mid-2013.

This year will see a significant number of events right across the calendar and the events that have brought visitation in the first quarter have successfully built visitation on weekends and week days that would otherwise be much quieter in the city. (Football United, Visa Wellington On a Plate, Beervana, the Test Match against South Africa and the first few days of WoW).

These events have provided PWT with great opportunities to get our stories told in both the domestic media and the Australia media. A particular highlight of this quarter has been significant development in the working relationship and activities undertaken with the tourism arm of Weta Workshop. This relationship is proving productive in many ways from increasing the length of time people spend in Wellington by providing them with more things to do, to having a truly unique story to tell and excite the world through the experience of their activities.

Business Events has perhaps been the most challenged part of PWT's work in the wake of those 2013 earthquakes, but the team have still managed to secure almost five million dollars' worth of business for the city in the quarter. Management has been an integral part of the team developing the proposal for the Hilton hosted Wellington Convention Centre development and the sales team looks forward to being in a position to be able to sell this new space for the future

As the conversation regarding formation of the Wellington Regional Economic Development Agency comes to a conclusion the team at PWT is excited by the upcoming opportunities that the new agency will provide to them to show off all the good things about Wellington.

Key Performance Indicators

Activity Area	Timeframe	2014/15 Performance Measures	Q1 Result 2014 – 15	Year to Date
Organisational	Annual	Maintain overhead costs ¹ as less than 12% of total activity costs ² including partnership investments Source: PWT Financial Statements	Overhead costs were 10.5% of total activity costs for the first quarter.	See Q1 result.
	Annual	Maintain WCC core funding ³ at 50% or less of Wellington’s marketing activity investment ⁴ Source: PWT Financial Statements	WCC core funding was 59.5% of total marketing activity investment. Note this includes \$500k Australia portion of funding which will not be included in the 2 nd quarter	See Q1 result.
Australia Sales and Marketing	Quarterly	Airline capacity maintained at least to 2013/14 levels Source: Wellington International Airport Ltd.	Trans-Tasman airline capacity reduced -5.7% in the September quarter.	See Q1 result.
	Annual	Recognition ⁵ of Wellington as a visitor destination in targeted regions of Australia has risen over levels measured (after one	Research regarding the familiarity of Wellington amongst Australian target	See Q1 result.

¹ Overhead costs include ‘Premises’, ‘Depreciation’ & ‘Operating expenses’ as line items in the Annual Report

² Expenditure made in joint venture activity. See Annual Report.

³ See Annual Report

⁴ Expenditure made in JV activity that targets the KPIs outlined in the SOI.

⁵ Survey respondent knowledge of what Wellington has to offer as a visitor destination

		full year of activity) in March 2015 Source: PWT 'Wellington Travel Survey'	markets will take place at the beginning of Q4.	
	Quarterly	Increase Australian visitor arrivals through Wellington International Airport over 2013/14 levels by 3% Source: International Visitor Arrivals, Statistics New Zealand; http://www.stats.govt.nz/browse_for_stats/population/Migration/iva.aspx (Table 7)	Australian visitor arrivals to Wellington Airport increased 6.2% to 11,312 in the September quarter period compared to the same period in 2013.	See Q1 result.
Convention Bureau Sales and Marketing		Maintain Wellington's Convention & Incentive market share within the New Zealand market to 17% of the national share of the multi day conference market Source: Convention Activity Survey, Ministry of Business, Innovation and Employment; http://www.med.govt.nz/sectors-industries/tourism/tourism-research-data/other-research-and-reports/convention-research/activity-survey	Wellington's market share of C&I multi-day delegate days for the June 2014* quarter was 20%. This was a decrease of 3% compared to the same period in 2013. *Latest available data.	See Q1 result.
		Increase leads/referrals generated to Business Events Wellington partners by 2% relative to 2013/14 Source: Internally calculated/generated from the numbers of leads and referrals uploaded into Salesforce and from BEW website.	Leads/referrals generated decreased 16% for the September 2014 quarter compared to the September quarter 2013.	See Q1 result.

Item 2.2 Attachment 2

Destination Wellington⁶		Ongoing integration of Wellington brand story into all Wellington marketing activities Source: PWT, Grow Wellington and WCC report to CCOP's		See Q1 result.
		Increase total website visits to WellingtonNZ.com by 10% relative to 2013/14 Source: Google Analytics	Traffic to WellingtonNZ.com started strongly for Q1, increasing 11% compared to the same quarter in the 2012/13 financial year.	See Q1 result.
		Delivery of marketing activity to targeted audiences in coordination with delivery programme Source: PWT, Grow Wellington and WCC report to CCOP's		See Q1 result.
Downtown Marketing	Quarterly	Wellington retail and hospitality spending does not decline below 2013-14 levels Source: Regional Tourism Indicators, MBIE. Measures electronic card spend on retail and hospitality by visitors to Wellington.	Retail and Hospitality spending by visitors increased 19.3% in the first quarter compared the same quarter of last year	See Q1 result.
	Quarterly	Increase the KNOW Wellington audience (social media and KNOW eNews) by 10% to 157,000 ⁷	The KNOW Wellington audience currently sits at 157,974.	See Q1 result.

⁶ At the time of writing these targets are being considered by the DW tripartite agreement between PWT, GW and WCC. These KPI's are subject to the confirmation of funding for the associated activities.

⁷ The reach the KNOW e-news is now in excess off 47,000; as a communication targeting Wellington households the reader rate is reaching saturation (c. 80,000 households in Wellington TA)..

		Source: PWT database statistics		
International	Quarterly	Increase international commercial guest nights to Wellington relative to 2013/14 by 2% Source: http://www.stats.govt.nz/browse_for_stats/industry_sectors/accommodation/accommodation-pivot-tables.aspx	Commercial International Guest Nights increased 13.5% to 139,062 in the September quarter compared the same period in 2013.	See Q1 result.
	Annual	PWT will work with WIAL to meet with airlines for which there is a business case to fly to Wellington and provide each with a business proposition. PWT will work with Wellington tourism providers and TNZ to promote travel to Wellington from key Asian source markets to increase demand for travel to Wellington. Source: PWT and WIAL report to WCC	PWT has worked with WIAL and WCC to provide a package of agreements that has secured Jet Star to fly between Wellington and Gold Coast from Q2 of 2014-15	See Q1 result.
	Annual	Increase the spend of international visitors to Wellington in 2014/2015 by 2% relative to 2013/14 Source: Regional Tourism Indicator reports produced by MBIE	International visitor spend increased 20% in the September quarter compared to the same period in 2013.	See Q1 result.

Item 2.2 Attachment 2

New Zealand and Event Marketing	Quarterly	Increase domestic commercial guest nights in Wellington city by 2% relative to 2013/14 ⁸ Source: http://www.stats.govt.nz/browse_for_stats/industry_sectors/accommodation/accommodation-pivot-tables.aspx	Commercial domestic Guest Nights increased 5.1% to 359,814 in the September quarter compared the same period in 2013.	See Q1 result.
	Quarterly	Increase weekend rooms sold in partner hotels ⁹ by 2% relative to 2013/14 Source: PWT's Hotel Monitor	Weekend Room Nights Sold increased 3% in the September quarter compared to the same period in 2013.	See Q1 result.
Digital Marketing	Quarterly	Increase total website visits to WellingtonNZ.com by 10% relative to 2013/14 Source: Google Analytics	Traffic to WellingtonNZ.com started strongly for Q1, increasing 11% compared to the same quarter in the 2012/13 financial year.	See Q1 result.
	Quarterly	Increase Wellington's subscribed audience by 7% (enewsletter and social media subscribers across all areas) to 215,000 Source: PWT database stats	Wellington's subscribed audience currently sits at 264,734.	See Q1 result.
Product Development	Annual	Provide support and research assistance into the visitor usage aspects of infrastructure projects proposed by WCC in its Eight Ideas	PWT has provided WCC significant support in regards to the data	See Q1 result.

⁸ The Trust recognises the ebbs and flows of business activity and visitor movements through the year but also understands that growth in business activity should be our target at all times of the year. Our organisational KPI's reflect this ambition by targeting a noted percentage growth over previous years for each individual quarter.

⁹ Positively Wellington Tourism's New Zealand Marketing Campaign is funded in partnership with 19* city hotels (*Based on 2013/14 partnership).

		for Economic Growth. Source: PWT and partner report to WCC	collection and public consultation around the Hilton Convention centre proposal.	
i-SITE Visitor Centre	Quarterly	Maintain i-SITE revenue relative to 2013/14 Source: PWT financial statements	i-SITE revenue is 11.6% behind the same period last year.	See Q1 result.
	Annual	Increase the proportion of sales of Wellington product ¹⁰ by 2.0% relative to 2013/14 Source: PWT Financial Statements	Wellington product sales increased 2.8% during the September quarter compared to the same quarter in 2013.	See Q1 result.
	Quarterly	Visitors to the i-SITE maintained at 2013/14 levels Source: i-SITE Visitor Centre door counters	Visitors this quarter totalled 46,640 – down 10.3% on last year.	See Q1 result.

¹⁰ Wellington, Porirua, Hutt City and Upper Hutt City accommodation & activity products as a % of overall i-SITE sales.

Highlights of our Activity

Brand & Communications

Tyrannosaurs – Meet the Family exhibition campaign

The campaign for Tyrannosaurs – Meet the Family was launched in partnership with Te Papa in September. The campaign began with the 'release' of [Scotty the T Rex](#), a large puppet which was taken on the road around key drive range markets and used for campaign filming throughout the city's attractions. The campaign is running across radio, family-focused cinema, YouTube and Google Display Network and What Now.



Vampire's Guide to Vellington

Following the September release of What We Do in the Shadows across the ditch, over 57,000 Australians viewed the Vampire's Guide to Vellington launched around the New Zealand release.

Brand Campaign

The latter part of the quarter focused on pre-production for the release of the next domestic visitor brand campaign in October, with a platform being developed that can be applied to Australia and Destination Wellington campaigns.

Media Programme

There were 302 stories on Wellington in the quarter that were influenced by PWT activity. Australasian coverage had a cumulative audience of 10.6 million and an advertising space rate value of just under \$1 million.

- **New Zealand**

There were 256 domestic media stories on Wellington and Visa Wellington On a Plate in the quarter that were influenced by PWT activity. The quarter's coverage had a cumulative audience of 9,294,592 and an advertising space rate of \$976,000. Major results included articles by Herald On Sunday, Australia Women's Weekly, New Idea, Kia Ora magazine. Twelve domestic media families were hosted in Wellington across the quarter, including *Hawke's Bay Today*, *The Hits Hawke's Bay*, *NZ Herald*, *Good Health Choices*, *NZ Herald Lifestyle*, *Sunday Star Times*, *Remix*, *New Idea*, *North and South*, *Idealog* and design writer/blogger *LeeAnn Yare*.

- **Australia**

There were 32 Australia media stories on Wellington in the quarter that were influenced by PWT activity. The quarter's coverage had a cumulative audience of 1,323,896 and an advertising space rate of just under \$20,000. Major hosting results included stories by Broadsheet.

- **International**

There were 14 international media stories on Wellington in the quarter that were influenced by PWT activity. Major hosting results included stories by Travel & Leisure Asia. Hosting highlights included Huffington Post and Harper's Bizarre.

Corporate Communications

There were 18 media stories about Positively Wellington Tourism and the Wellington tourism industry in the quarter. The quarter's coverage had a cumulative audience of 748,580 and an advertising space rate of \$19,106. Coverage highlights included Wellington's five wins at the NZ Association of Event Professionals Awards, one-year anniversary of the 'Making History' Australian same sex marriage, and the announcement of the new Jetstar route from Gold Coast to Wellington.

Events & Partnership

Business Events

Business Events Wellington (BEW) were represented at Wellington's showcase industry event Show Me Wellington held in August 2015. During this event BEW hosted 20 famils with 4 of these participants ex Australia. Two pieces of business have since been confirmed for 2015 as a result, worth over \$1 million.

BEW confirmed 22 large business events in this quarter worth approx. \$4,902,000.

BEW hosted a record 34 potential clients during the quarter which included 5 international potential clients

Consumer Events

The events team have worked closely with a range of stakeholders and particularly the City Council Events team creating detailed plans and programmes for events over the summer and through 2015.

United Football Tour - July

The successful United Football Tour held on the 26 July at Westpac Stadium increased hotel occupancy by 24% in comparison to the same period for the previous year. The event was well supported with an attendance in excess of 30,000 people.



Visa Wellington On a Plate - August



The sixth course of Visa Wellington On a Plate saw an 80.77% increase year-on-year (13,407 new subscribers) across all owned channels. We can now collectively speak to an audience of more than 30,000, an increase of 261% since 2012. 82% of all available tickets were sold across the duration of the festival.

Digital Marketing

WellingtonNZ.com

Traffic to WellingtonNZ.com started strongly for Q1, increasing 11% compared to the same quarter in the 2012/13 financial year.

Of note, Australian traffic increased 54% on the previous quarter, driven by the Wellington Has Things campaign, and has sustained this traffic since the campaign completion.

In terms of highest viewed content on WellingtonNZ.com, Sights & Activities related content was the highest viewed. Of the 1,383,221 page views within Quarter 1, 16% were Sights & Activities related, with the most popular pages being Top 10 must dos (42,775 views) and Best things to for free (17,367 views). Events related content made up 13% of total site traffic, with the World of Wearable Arts leading with 13,848 views.

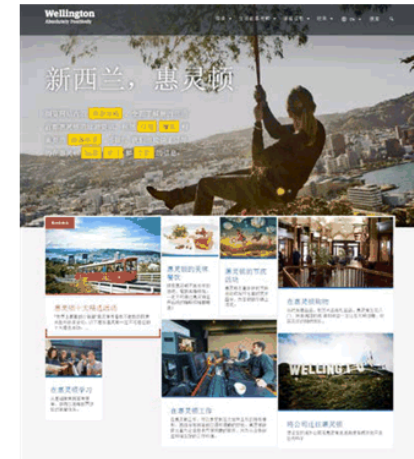
WellingtonNZ.com Redevelopment

Quarter 1 saw the launch of the first Multilanguage version of WellingtonNZ.com, with Simplified Mandarin being the first release.

<http://www.wellingtonnz.com/cn/>

Social Media

- PWT's social media channels had a cumulative reach of over 123 million in Quarter 1 (Source: MeltWater Buzz), the highest result since tracking began in July 13. This was driven by events related chatter including Wellington on a Plate.
- The Facebook post with the greatest engagement and reach was a competition to win a signed rugby league ball, celebrating the Four Nations final in Wellington. This post reached 304,819 users as well generated 19,734 clicks to the event listing on WellingtonNZ.com.



(COMPETITION) Just spotted a bunch of rugby league superstars at Oriental Bay. Want to win the ball they signed? Comment below who you think will make it to the Four Nations final in Wellington to be in to win: bit.ly/1pJFJm



Downtown Marketing

Quarter 1 saw the wrap of the Wicked Wellington Adventures campaign. The aim of the campaign was to highlight that no matter what you were into, Wellington had something exceptional to offer; be it mountain biking adventures, retail therapy or the arts. The campaign saw six money-can't buy adventures up for grabs, and had 28, 236 entries.

With Christmas approaching, the team have also been working on this year's Wellington Advent Calendar launching 1 December. The aim of this campaign is to drive foot traffic into the CBD in the lead up to Christmas. From 1-24, a treat from a Wellington retailer, eatery or attraction is revealed. Of particular note this year, is the emphasis to engage CBD retailers to ensure an even split between hospitality and retail offers.

Absolutely Positively Wellington
Posted by Jaimee Brooking [?] · July 17 · Edited

Keen to spend \$2,500 at Kirkcaldie & Stains, fly in a helicopter or get brewing with Garage Project? There's just one week left to enter and you gotta be in to win! Enter now: <http://bit.ly/Wd8AxX>



Travel Trade Marketing

Australia

Building on the strong relationship with key Australian independent travel seller ANZCRO, five agents were hosted in August to experience their key product, followed by five of Air New Zealand's top Australian agencies were in Wellington for a famil incorporating the Montana World of Wearable Art Awards.

Asia

There has been considerable activity in Asian markets during Q1. Ahead of CRWC2015, PWT represented the Wellington Region & Wairarapa at KiwiLink India in July. Organised by Tourism New Zealand, 32 New Zealand companies and regions undertook 198 appointments each with a total of 500 Indian travel sellers across Chennai, Hyderabad, Mumbai and New Delhi. It is hoped that the new codeshare alliance between Air New Zealand and Singapore Airlines will result in higher visitor numbers from India as the market has been capacity-constrained for many years. An additional training day with 90 frontline agents was undertaken in Singapore.

Meetings with 40 decision makers were undertaken at Tourism New Zealand's KiwiLink South East Asia event in September along with agent training seminars for 250 frontliners in Bangkok, Jakarta and Surabaya.



Tourism New Zealand has identified Royal Wellington Golf Course and Paraparaumu Beach Golf Course as two of 12 New Zealand marquee courses to be marketed internationally as part of their "Courses by Nature" Golf Strategy. Nine Chinese golf specialist companies and two TNZ staff visited Wellington in September to visit both courses which was a significant first for the region.

An itinerary featuring Wellington and the South Island including the Interislander was introduced 12 months ago to the Chinese market and is proving popular. Twelve agents from the Southern China regions were hosted in Wellington in August on a TNZ 'new regions' famil to sample this itinerary first hand. Regional Tourism Indicator data from Paymark credit card spent indicates strong growth from Chinese visitors to Wellington.

Rest of the World

The Vice President of Land Arrangements for Crystal Cruises visited Wellington in August to scope current and future shore excursion opportunities. Cruise New Zealand continue to anticipate significant growth in cruise. The 2014/15 season commences 7 October with 142,000 pax forecast across 80 ships.

Wellington Visitor Information Centre

The team has a new look which started with the appointment of a new manager in August, who moved internally from the Business Events team

The IBIS/Bookit integration project was completed for the i-SITE New Zealand network, with new software providing access to live accommodation inventory for booking, ticketing and accounting in a seamless transaction. The system was trialled at the Wellington i-SITE and fully implemented in August. Transactions and back office financial reconciliations are quicker to complete and the booking process allows better interaction between consultants and customers.

Discussions on developing the ex café space have been ongoing and a variety of potential partners are now involved in these discussions. Progress is now being made with Weta Workshop and the Department of Conservation as ideas and concepts are developed. In the interim, Urban Dream Brokerage have been engaged to activate the space with installations and three 'pop up' type events were hosted – Political Haircuts, Urban Bodies and The Hori – Dirty Laundry. Exterior signage is also being reviewed such that it will reflect better the Wellington brand and the partners that will enjoy space in the centre.

Our Cruise Operations Coordinator retained 95 ambassadors from the previous 2013/14 cruise season, promising a strong start with a well-trained team. Additional recruitment has been a priority as many ships will be in port over weekends and public holidays this season, which was not the case previously and so availability of Ambassadors is more limited.

This season ambassadors will be present at the usual locations of CentrePort, Brandon Street, Cable Car Lane and the top of the Cable Car at the entrance to the Botanic Garden.

Additional training has been completed for all new and returning Wellington City Ambassadors to ensure their knowledge is up to date. On-going training is planned for later in the season.

	Quarter				Full Budget
	Actual	Budget	YTD	YTD Budget	2014/15
Profit and Loss					
For the quarter ended 30 Sept 2014					
Partnership Wellington Trust Inc.					
Income					
i-SITE Trading Income	338,549	390,000	338,549	390,000	2,930,000
Funding - WCC	1,886,151	1,886,250	1,886,151	1,886,250	6,594,000
Partner Income	269,282	438,000	269,282	438,000	1,176,000
Rental Income	15,071	23,750	15,071	23,750	95,000
Investment Income	25,995	25,500	25,995	25,500	80,000
Other Income (incl Cruise)	1,328	7,000	1,328	7,000	200,000
Total Income	2,536,376	2,770,500	2,536,376	2,770,500	11,075,000
less Expenditure					
Employee Costs	628,829	675,000	628,829	675,000	2,878,000
Other Operating Expenses	117,461	101,000	117,461	101,000	383,000
Depreciation	16,714	28,700	16,714	28,700	79,800
Marketing & publications expenses	988,818	1,224,100	988,818	1,224,100	4,887,300
Premises expenses	114,231	112,000	114,231	112,000	412,000
i-SITE Cost of Sales	256,915	323,700	256,915	323,700	2,431,900
Total Expenditure	2,122,968	2,464,500	2,122,968	2,464,500	11,072,000
Net Operating Surplus	413,408	306,000	413,408	306,000	3,000
Capital Expenditure					
Property Improvements	3,770		3,770		
Computer equipment/Intangibles	7,876	20,000	7,876	20,000	25,000
Furniture & Fittings	42,086	2,000	42,086	2,000	8,000
Total Capital Expenditure	53,732	22,000	53,732	22,000	33,000

Statement of Cash Flows
For the period ended 30th Sept 2014
Partnership Wellington Trust Inc.

	2014/15	2013/14
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
WCC Income in Advance	1,157,500	1,150,000
Sales and Other Income	339,877	387,781
WCC Funding	1,886,151	1,868,750
Partner Income	269,282	591,614
Rent Received	15,071	17,963
Interest Received	25,995	22,881
	<u>3,693,875</u>	<u>4,038,989</u>
Cash was applied to:		
Payments to Suppliers	(2,188,353)	(1,217,272)
Payments to Employees	(589,954)	(594,983)
Rent Paid	(70,733)	(82,925)
	<u>(2,849,040)</u>	<u>(1,895,181)</u>
Net Cash Flows from Operating Activities	844,834	2,143,808
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash was applied to:		
Purchase of Fixed Assets & Intangibles	(53,731)	(5,633)
Net Cash Flows from Investing Activities	(53,731)	(5,633)
Net Increase / (Decrease) in Cash Held	791,103	2,138,175
add: Cash Held at 1 July	1,778,153	1,021,424
add: Effect of foreign exchange gain / (loss)		
Cash Held at End of Month	<u>2,569,256</u>	<u>3,159,599</u>
Represented By:		
Cash on Hand	700	600
Bank Accounts	<u>2,568,556</u>	<u>3,158,999</u>
	2,569,256	3,159,599

Balance Sheet
For the period ended 30th Sept 2014
Partnership Wellington Trust Inc.

	2014	2013	
	September	September	
TRUST FUNDS			
Trust Funds at start of year	507,649	511,303	
Net Surplus (deficit) for period	413,407	1,025,490	
Trust Funds at month end	921,056	1,536,794	
Comprising			
Current Assets			
Cash and Bank	2,569,256	3,159,599	
Accounts Receivable	250,567	189,305	
GST Receivable	0	0	
Stock on Hand	701	761	
Prepayments	9,642	26,470	
Provision for Bad Debt	0	0	
Withholding Tax Paid	34,706	34,869	
Total Current Assets	2,864,872	3,411,004	
Current Liabilities			
Accounts Payable	183,226	218,821	
Accruals	556,966	446,713	
Employee Entitlements	134,738	109,825	
Income in Advance	1,229,218	1,218,377	
GST Payable	(42,036)	(27,393)	
Tax Payable	0	0	
Total Current Liabilities	2,062,112	1,966,344	
WORKING CAPITAL	802,759	1,444,660	
Fixed Assets			
Property Improvements			
Property Improvements	186,745	182,975	
less Accumulated Depreciation	(170,226)	(155,964)	
Net Property Improvements	16,519	27,011	
Computers			
Computers Original Cost	107,061	95,020	
less Accumulated Depreciation	(61,233)	(65,994)	
Net Computers	45,828	29,026	
Furniture, Fittings & Equipment			
Furniture, Fittings & Equipment	517,184	478,170	
less Accumulated Depreciation	(471,429)	(448,956)	
Net Furniture, Fittings & Equipment	45,754	29,214	
Total Fixed Assets	108,101	85,252	
Intangible Assets			
Intangible Assets	533,884	523,884	Websites and software
less Accumulated Amortisation	(523,689)	(517,003)	
Net Intangible Assets	10,195	6,881	
NET ASSETS	921,056	1,536,794	

POSITIVELY WELLINGTON VENUES

Q1 REVIEW TO 30 SEPTEMBER 2014

QUARTER PERFORMANCE	YEAR TO DATE PERFORMANCE
<ul style="list-style-type: none"> The venues hosted 87 events and 111 performances in Q1. Convention and Events highlights included the Australasian Fire and Emergency Service Authorities Council Conference (900 delegates, 200 exhibitors) and the NZ Nurses Conference. Show and Performance highlights included WOW, The Sound of Music, Sol3 Mio, Disney on Ice, Grease, and NZ Opera's <i>La Traviata</i>. WOW had full use of the TSB Bank Arena and Shed 6 from the beginning of September On 30 September 2014, the establishment of the Wellington Regional Economic Development Agency (WREDA) was agreed by the Wellington City Council. PWV is a significant part of the new entity and will be transitioned into WREDA in the coming months. 	<ul style="list-style-type: none"> Venue utilisation for the quarter was 11% below budget while Venue yield was 6% below the quarter target and 4% behind the same period last year. This is in part a timing issue with respect to the budgeted phasing of events across the year. Venues notes strong pipeline bookings for the rest of the year. PWV has taken a proactive stance in understanding the changes in Health and Safety legislation that are coming, and the impact this will have on business operations and demands on hirers. This is being factored in to their operating framework. Work has continued on investigating changes to the Food and Beverage side of the business in order to improve the performance of this area of activity. Consultation with staff and external providers is underway and will be completed in Q2. Repair and maintenance, and asset renewal work has been initiated across all venues, including an upgrade of the Opera House and replacing seating units in the TSB Arena.

SUMMARY FINANCIALS							
(\$,000's)							
FINANCIAL PERFORMANCE	Q1 Actual	Q1 Budget	Variance	YTD Actual	YTD Budget	Variance	FYE
Total Revenue	4,443	4,722	(279)	4,443	4,722	(279)	16,003
Direct Costs	2,442	2,469	26	2,442	2,469	26	8,962
Operating Expenses	1,644	1,765	121	1,644	1,765	121	6,276
EBITDA	356	488	(132)	356	488	(132)	765
Net Profit	299	424	(125)	299	424	(125)	510
FINANCIAL POSITION							
Total Assets				4,816	4,747	68	
Total Liabilities				3,478	3,610	(132)	
Equity				1,337	1,137	200	
CASH FLOWS							
Total Net Cash Flows	955			955			
Opening Cash	1,002			1,002			
Closing Cash	1,957			1,957			
<ul style="list-style-type: none"> Positively Wellington Venues year-to-date net profit is \$299k, \$125k down on budget. However, the company remains confident that it is on track to recover the shortfall and achieve its forecasted year-end result of a \$510k surplus Q1 revenue of \$4.4m was \$279k (6%) behind budget. However, the result is \$121k ahead of the same quarter in 2013/14. PWV notes that this has been offset by October's result which is \$215k ahead of budgeted revenue. Q1 operating expenses were \$121k better than budget, driven primarily by savings in utility costs and marketing (the latter relates to the timing the publication of PWV's <i>Live</i> magazine). However these were offset by an increase in salary costs and an increased spend on Health and Safety for staff vaccinations, first aid training and upgrading H&S resources. 							

CONTACT OFFICER

RICHARD HARDIE

POSITIVELY WELLINGTON VENUES

Q1 REVIEW TO 30 SEPTEMBER 2014

KPI DASHBOARD					
MEASURE		Q1	YTD	Trend	Comments
		30 Sep 14	30 Sep 14		
Increase economic contribution to Wellington over previous year.	Target	\$12.1m	\$12.1m	Improving ↗	Based on PWV revenue earned from events (times the multiplier), and does not include indirect and induced spend. P&E contribution is only slightly (\$40k) behind target. The C&E contribution is behind target by \$800k (11%). These are still expected to be on target by year end.
	Actual	\$11.3m ✗	\$11.3m ✗		
Improve venue utilisation by 5% over previous year.*	Target	64%	64%	New measure	Utilisation for Q1 is 11% below target and 8% down on the previous year. Forward bookings are strong and the company remains confident of reaching the full year target of 51%.
	Actual	53% ✗	53% ✗		
Improve venue yield by 4% over previous year.*	Target	43%	43%	New Measure	Venue yield for the quarter is 6% below target, but 6% ahead of Q1 last year.
	Actual	37% ✗	37% ✗		
Improve PWV Profitability (EBITDA) over previous year	Target	\$90k	\$90k	Improving ↗	The EBITDA result is \$266k ahead of the previous Q1 result, but \$132k behind budget. PWV expects to recover this in Q2 and is on track to reach its year-end target of \$765k.
	Actual	\$356 ✓	\$356 ✓		
Maintain a mix of commercial and community hires	Target	>40	>40	Improving ↗	PWV supports community access through five investment categories: City Growth; Creative Sponsorships; Community Causes; Civic Occasions; and Commercial Discounts. In Q1 the total subsidy was over \$518k, with the majority of events supported being in the City Growth and Creative Sponsorship categories.
	Actual	78 ✓	78 ✓		
Improve gross margin by 1% over previous year *	Target	47.7%	47.7%	New Measure	Gross margin is 1.3% ahead of Q1 2014, but 2.7% behind budget. The company is continuing to review this area of the business to improve operating margins.
	Actual	45%	45%		

* Target is based on a percentage improvement on 2013/14 actual results

ISSUES & OUTLOOK
<ul style="list-style-type: none"> October's financial result is steady as EBITDA is on budget at \$167k surplus and revenue \$215k ahead of budget. At its meeting of 30 September 2014, the Wellington City Council agreed to form the Wellington Regional Economic Development Agency (WREDA). PWV forms a significant part of this organisation. Work on transitioning PWV to the new entity will continue through Q2. TSB has been re-signed as the naming rights sponsor for the newly branded TSB Bank Arena and Conference Centre (now including Shed 6) for 10 years. PWV is working on several key facility projects during the Christmas close-down period, including the completion of Opera House improvements and the installation of new seating at the TSB Arena.

CONTACT OFFICER

RICHARD HARDIE



**POSITIVELY
WELLINGTON
VENUES**

.....
**Because things
are better LIVE**
.....

Economic Growth and Arts Committee
Quarter 1 Report
July 2014 – September 2014

1. Introduction

PWVs first quarter result for the 2014/15 financial year is well ahead of last year although behind a challenging first quarter budget. It is always good to get a solid first quarter result “in the bank” and although we are tracking behind budget, we are well ahead of the same time last year with EBITDA of \$356k vs budget of \$512k and vs last year’s \$90k. We are comfortable that we are still on track to deliver to the full year budget EBITDA result of \$765k.

In addition to our commercial performance there are two areas of the business that require ongoing and increased attention – repair and maintenance and asset renewal work across all of our venues and preparedness for the changes in Health and Safety legislation. Given that our business is based on hiring our venues out for public and private use it is imperative that we uphold the best possible standards in both of these areas.

2. Operations

Key facility projects include the Opera House upgrade and at the TSB Bank Arena and Conference Centre block seating is being installed at the north end and the leaks fixed followed by the exterior painting. As yet unconfirmed work but of great importance from a patron health and safety perspective is the air-conditioning upgrade at St James Theatre.

With the upcoming changes to Health and Safety legislation, preparedness is well advanced with hazard and near-miss identification and incident reporting continuing to improve with strong engagement across our business including suppliers and clients. Near miss reports have increased by 30% over last month’s reported incidents. With increased incidents of patrons’ personal health impacting on our duty of care inside venues, we are engaging BECA engineers to provide an audit of the atmospheric environments during large audience shows at all venues to better understand the risks and focus on the improvements we can make to address them.

Convention and Events delivered 87 events with over 40,000 attendees, including 6 multi-day conferences that brought an estimated 2,300 delegates and attendees to Wellington including the Australasian Fire and Emergency Service Authorities Council (AFAC) Conference 2014 for 900pax, and the New Zealand Nurses Organisation AGM and Conference for 250pax. There are 5 multi-day conferences to be delivered in October. Confidence is building that any shortfall in Q1 can be made up in subsequent quarters with September seeing 70 new C&E events entered into the pipeline alone, 37 of these for delivery this financial year.

Performances & Exhibitions hosted 111 performances (1.2 per day!) attracting over 140,000 patrons compared to 70,000 in Q1 last year. WOW looks to be the most successful show ever, with 53,000 tickets sold, 15 shows over September and October with 17,500 tickets included in September’s result. 20% of patrons come from out of the Wellington region (excludes WOW stats). An estimated \$5 million of tickets were brought to shows in PWV venues in Q1 including WOW, The Sound of Music, Sol3 Mio, Disney on Ice, Grease the Musical, and NZOs - La Traviata. Significant coming up include Lorde, Rodriguez, Bill Bailey, The Seekers, Nick Cave, Slash, Billy Idol & Cheap Trick, Ed Sheeran, Ricky Martin, and Mamma Mia.

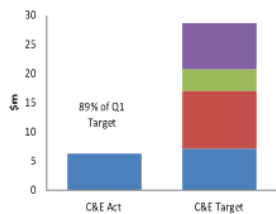
There are a number of business decisions we are working through some of which will have a significant impact on staff. Negotiations are continuing with suppliers of Food and Beverages on the transformation of this area of our business. A closure of the Jimmy Café is currently going through consultation with staff and there is a possibility that the café could be contracted to a specialist operator like Mojo or Wishbone under the Soho Brown brand. Restaurant Associates are also considering a proposal to take over the performance bars currently operated by PWV at the Opera House and St James. There are around 40 employees in F&B services that may be affected. Facilities and Operations team restructure has been finalised affecting three staff members to take effect from mid-November.



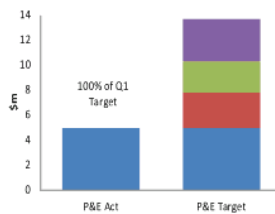
3. Key Performance Indicators

Grow contribution to Wellington

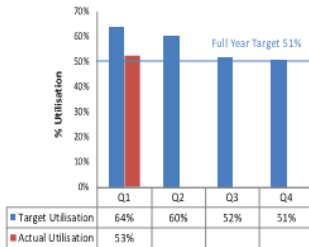
C&E Economic Benefit (\$m)



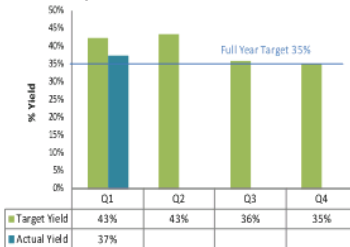
P&E Economic Benefit (\$m)



Venue utilisation



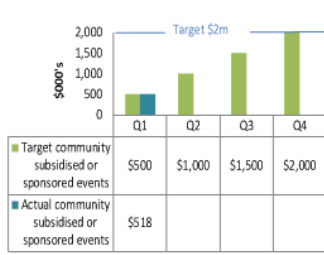
Venue yield



Community Hire Days

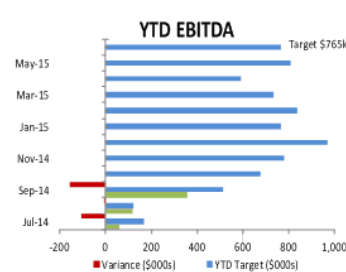


Value of funded events



Net Promoter Score

Improve PWV profitability

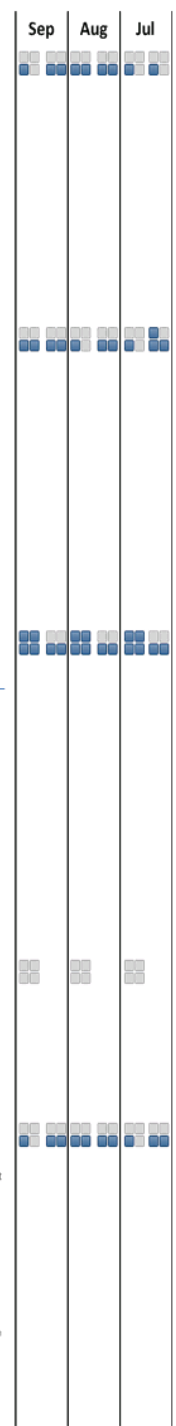


Monthly gross margin %



Key

Well Below	below	On Target	Ahead	Exceeding



- The estimated direct economic contribution (which measures the relationship between event revenue and total direct event-related expenditure) to Wellington is based on expenditure multipliers 3.37x C&E event revenue and 2.46x P&E event revenue.
- For improving venue optimisation we are targeting a 5% increase in venue utilisation to 51% and a 4% increase in venue yield to 35%. Utilisation of 48% and Yield of 33% were achieved in FY14.
- 'Community hire days' is about ensuring our venues are open to community and for funded events. Funding categories that are captured include City Growth, Creative Sponsorship, Community Support, and Civic Occasions. The measure is both the 'hire days' made available and the monetary value of the subsidy.
- We are developing a new and improved net promoter score measure.
- Improving profitability and margin is about ensuring the ongoing viability of the business, ensuring we prosper and contribute to the economic growth of the Wellington community. We have targeted a \$765 EBITDA return. Gross margin is defined as a 1% improvement on FY14 result (being 43% excluding PAF grant) therefore the target is 44% gross margin.



KPI commentary

[Grow contribution to Wellington](#)

The total economic contribution of \$11.3m for the quarter is 27% of the full year target of \$42.3m; the full year result for 2013/14 was \$40m. Note: our measure of economic contribution to Wellington is based solely on the revenue PWV earned from events (times the multiple) and does not include indirect and induced spend generated by this activity.

P&E revenue for the first quarter is only slightly behind target (-\$40k) with an estimated economic benefit to the Wellington economy of \$5m based on the Covec expenditure multiple. The \$5m excludes any benefit associated with WOW as we receive little or no revenue for venue hire. If this was included there would be an increase of \$900k in Q1 for September and a total for WOW for September to October of \$1.4m of economic benefit.

C&E has contributed an economic benefit of \$6.3m to the Wellington economy in Q1. This is behind target by \$800k or 11% for the quarter as a result of first quarter revenue being down on budget.

[Optimising venue utilisation and yield](#)

Septembers venue utilisation improved to 60% but the result overall for the quarter was 53%, 11% under target. The first quarter result is 2% above the full year target of 51%. 11% under target equates to approximately 95 event days under booked for the quarter and we are down by 84 event days on last year. Utilisation in the first quarter last year was 61%.

Venue yield for September was 27% primarily as WOW has had full use of the TSB Bank Arena and Shed 6 from the beginning of the month. Venue yield for the quarter is 37%, 6% below the target for the quarter but 2% above the full year target of 35%. Yield for the equivalent quarter last year was 31%.

[Community hire days & funded events](#)

The first quarter saw a total 78 hire days made available to community events and is well above the target of 40, the majority of these being 'City Growth' and 'Creative Sponsorship'. The total subsidy for the quarter is over \$518k including an allocated in September for WOW. Funding provided for community events is slightly above the \$500k target for the quarter.

[Net promoter score](#)

We are looking at developing a more robust approach to surveying and estimating our NPS.

[Health and safety](#)

No serious harm incidence.

[Staff engagement](#)

Work in progress.

[Improve profitability & margin](#)

Overall both measures are ahead of this time last year but behind quarter 1 target.

These measures are discussed in more detail in the next section.



4. Financial Performance

The net profit result for quarter one was \$299k, down on budget by \$125k. The EBITDA result was \$356k, \$131k down on budget. Whilst the Q1 result is behind on budget, PWV was a massive \$266k ahead of the Q1 EBITDA result last year.

Quarter one revenue is \$121k ahead of what was a very good Q1 last year but behind on budget by \$279k. All lines of business are behind on budget with Conventions & Events \$244k behind the Q1 budget, Performance & Exhibitions \$40k behind, and Food & Beverage \$72k behind budget. F&B revenue has declined in the café and performance bars from last year with the performance bars being down by \$50k on budget expectations and the café \$30k down.

Gross margin is 45.0%, 1% ahead of the full year target of 44.0% but 2.7% behind the target for the quarter. Gross margin is 1.3% ahead of the Quarter 1 result last year of 43.7%.

The latest forecast full year EBITDA result indicates PWV will recover from the Q1 shortfall to be in line with budget expectations of \$765k.

QUARTER 1 SUMMARY PROFIT & LOSS REPORT

	Quarter 1				Full Year		
	Actual	Budget	Variance	Last Year	Variance	Budget	Last Year
Event Revenue	3,903,548	4,163,725	-260,177	3,774,715	128,833	14,175,016	13,152,767
Food & Beverage	319,858	392,175	-72,317	309,293	10,565	1,230,400	1,196,896
Other	219,124	165,904	53,220	237,715	-18,591	597,600	841,541
TOTAL REVENUE	4,442,531	4,721,805	-279,274	4,321,723	120,807	16,003,016	15,191,204
Direct Labour	707,122	692,603	-14,519	661,797	-45,325	2,495,199	2,485,485
Direct costs	1,735,182	1,776,569	41,387	1,769,736	34,553	6,467,155	6,081,401
Total Direct Costs	2,442,305	2,469,173	26,868	2,431,533	-10,772	8,962,354	8,566,886
Gross Margin	2,000,226	2,252,632	-252,406	1,890,190	110,036	7,040,662	6,624,317
Gross Margin %	45.0%	47.7%	-2.7%	43.7%	1.3%	44.0%	43.6%
EXPENSES							
Salaries	847,208	825,218	-21,990	728,050	-119,158	3,100,725	2,795,461
Other employment costs	66,779	50,063	-16,716	60,803	-5,976	190,256	308,970
Occupancy costs	249,383	259,816	10,433	309,082	59,699	928,716	737,671
Utilities	182,384	255,031	72,647	260,643	78,259	615,414	596,297
Insurance	41,986	42,601	616	53,108	11,123	180,405	204,852
Marketing	97,186	128,661	31,475	184,792	87,606	504,861	497,743
Prof Fees	18,017	37,990	19,973	36,102	18,085	114,960	110,103
Admin	51,708	60,922	9,214	62,372	10,664	226,310	206,672
IT & Comms	38,315	48,423	10,108	47,962	9,648	194,901	176,154
Directors' fees	26,250	26,250	0	33,750	7,500	105,000	116,740
Travel	10,358	11,042	684	5,780	-4,579	50,310	30,720
Vehicle costs	14,514	18,659	4,145	17,403	2,889	63,764	64,127
TOTAL EXPENSES	1,644,087	1,764,677	120,590	1,799,846	155,760	6,275,622	5,845,508
EBITDA	356,139	487,955	-131,816	90,344	265,795	765,040	*778,809
Depreciation	56,776	63,824	7,048	50,757	-6,019	251,818	215,183
Tax expense	0	0	0	-	0	3,000	2,672
Net Profit	299,363	424,131	-124,768	39,587	259,776	510,221	*560,955

* Adjusted EBITDA result (excludes PAF \$150k grant) for FY2013/14 is \$629k, net profit is \$411k.

Major overhead variances from budget

Other variances include:

- Salary costs have increased but offset by a benefit from a release of the leave liability as more staff that anticipated have taken leave in Q1.
- Other employment costs have seen an increase in spend on H&S for staff hepatitis vaccinations, upgrading first aid kits and first aid training.
- The Wellington Waterfront management fee is being accrued but these accounts are being held pending agreements with WREDA being put in place. The fee itself is lower than budget as a result of the calculation being based on 2013FY which incorrectly calculated the revenue overage amount.
- Utilities costs are benefitting from lower usage than last year and budget primarily as a result of fewer events held in our venues.



- Marketing spend relates to timing of the 'Live' magazine publication and professional fees have benefitted from a lower audit fee than budget. The balance of underspend is likely to be related to phasing differences at this early stage.

The balance sheet continues to strengthen with the current ratio increasing to 1.8x (well above the average range for last year of between 1.2x and 1.5x) and Bank & Cash is over \$1.9m, an increase of \$729k in the first quarter and \$869k above last year. Outstanding debtors balances have reduced by 108k in the quarter, 83% of debtors are less than 60 days overdue with \$128k of debtor balances over 61 days. Debtor balances are actively managed and there are no write-offs anticipated.

Positively Wellington Venues				Prior Quarter	Quarterly	Prior Year	Annual
	Actual	Budget	Budget	30-Jun-14	Movement	30-Sep-13	Movement
\$'000	30-Sep-14	30-Sep-14	Variance				
Bank & Cash	1,915	1,775	140	1,186	729	1,046	869
Debtors	750	1,136	(386)	858	(108)	919	(169)
Accrued income	652	371	282	882	(229)	807	(154)
Prepayments	155	60	95	45	110	238	(83)
Inventory	32	70	(38)	38	(7)	87	(55)
Total current assets	3,503	3,411	92	3,009	495	3,097	407
Fixed assets	1,313	1,336	(23)	1,342	(29)	1,179	134
Total assets	4,816	4,747	68	4,350	466	4,275	540
Creditors	1,440	1,556	(116)	1,367	72	1,685	(246)
Employee Entitlements	454	435	19	349	105	517	(63)
GST	50	116	(66)	37	14	48	3
Revenue in Advance	1,534	1,483	51	1,547	(13)	1,481	53
Provisions	0	20	(20)	12	(12)	27	(27)
Total current liabilities	3,478	3,610	(132)	3,312	166	3,759	(280)
Shareholders' funds	1,038	688	350	477	561	477	561
Current year result	299	449	(150)	561	(262)	40	260
Total liabilities and equity	4,816	4,747	68	4,350	466	4,275	540
Current ratio	1.8	1.6	0.2	1.7	0.1	1.4	0.4

The forecast closing cash balance continues to climb steadily through to December and it's unlikely the \$1.5m overdraft facility will be required over the holiday close-down period. The forecast out to Mar-15 remains positive and continues to improve as the event pipeline fills towards the end of the financial year.

\$000s	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected
Fiscal Year begins	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
1/07/2014	2014	2014	2014	2014	2014	2014	2014	2015	2015	2015
Opening Cash Balance	1,379	1,002	1,625	1,701	1,957	2,015	2,215	1,608	888	810
Cash Receipts										
F & B Revenue	102	113	60	143	41	37	27	27	37	41
Event Revenue	803	2,023	1,247	1,410	1,396	1,194	624	291	776	803
RA Commission	58	58	58	51	46	46	46	46	46	46
Ticketek Commission	77	50	71	79	30	50	30	15	60	90
Programme sales	0	13	0	0	0	0	0	0	0	0
GST Refund	0	2	0	0	0	0	0	0	0	0
Grants - Capex	0	0	0	0	0	0	0	0	0	0
Other	1	8	2	36	0	0	0	1	1	1
Interest Income	0	0	0	0	0	0	0	0	0	0
Fiscat Returns										
Forecast at Risk					115	182	108	131	240	59
Total	1,041	2,266	1,438	1,719	1,629	1,508	836	512	1,159	1,040
Total Cash	2,420	3,268	3,064	3,420	3,586	3,524	3,051	2,119	2,048	1,850
Cash Paid Out										
Accounts Payable Run	853	1,082	702	828	791	671	613	515	594	607
Bank Fees	1	1	0	0	0	0	0	0	0	0
Capital Expenditure		0	0	0	0	0	100	170	0	0
Fiscat Given										
Wages - Weekly	76	64	71	71	80	60	70	40	40	50
Wages - Fortnightly	94	96	107	117	135	90	90	90	90	90
Salary	156	190	215	172	231	154	154	154	154	154
PAYE	120	137	114	160	100	100	100	100	100	100
Income tax payment	0	0	0	0	0	0	0	0	0	0
GST	118	64	150	116	124	114	134	128	128	136
Forecast at Risk					110	120	182	38	131	31
Other	0	8	2	0	0	0	0	0	0	0
Total	1,418	1,643	1,362	1,463	1,571	1,308	1,443	1,231	1,238	1,168
Closing Cash Balance	1,002	1,625	1,701	1,957	2,015	2,215	1,608	888	810	682

WELLINGTON MUSEUMS TRUST

Q1 REVIEW TO 30 SEPTEMBER 2014

QUARTER IN REVIEW	YEAR TO DATE PERFORMANCE
<p>Capital E Central space on Queens Wharf was launched with <i>The Big Reveal</i> in early July. Capital E National Theatre for Children tour of <i>An Awfully Big Adventure</i> has reached over 5,600 young people to date.</p> <p>New programmes – particularly <i>A Short History of Jazz</i> – far exceeded target numbers and brought new audiences into the Museum of Wellington City & Sea.</p> <p>The <i>Adopt-A-Star</i> product at Carter Observatory has had a renewed marketing campaign resulting in a sales spike, including the sale of six of the most expensive stars, which haven't previously been purchased.</p> <p>City Gallery Wellington had record attendance of 55,135 for the exhibition <i>Seung Yul Oh: MOAMOA A Decade</i>. A gorgeous catalogue publication has been produced, which is now being distributed nationally and internationally.</p> <p>The <i>Tuatara Open Lates</i> in August and September were both particularly special with the 21st birthday celebrations in August and the launch of the William Kentridge exhibition in September.</p> <p>The building consent application for Stage 1 of the redevelopment project for the Museum of Wellington City & Sea has been lodged.</p>	<p>Refer to Q1 review.</p>

SUMMARY FINANCIALS							
* Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget							
FINANCIAL PERFORMANCE	Q1 Budget	Q1 Actual	Variance*	YTD Budget	YTD Actual	Variance*	FY Budget
(\$000)	30 Sep 14	30 Sep 14	30 Sep 14	30 Sep 14	30 Sep 14	30 Sep 14	30 Sep 14
Total Revenue	2,877	2,752	125 ✗				11,506
Opex before Depreciation	2,801	2,737	64 ✓				11,207
Depreciation	95	53	42 ✓				381
Net Surplus	(21)	(38)	17 ✗				(82)
FINANCIAL POSITION							
Total Assets	6,192	7,239	1,047 ✓				4,642
Total Liabilities	2,661	3,286	625 ✗				1,171
Equity	3,532	3,953	421 ✓				3,471
CASH FLOWS							
Total Net Cash Flows	1,578	1,649	71 ✓				(24)
Opening Cash	92	1,053	961 ✓				92
Adjustments (rounding)	(1)	0					
Closing Cash	1,669	2,702	1,033 ✓				67
<p>The Trust recorded a net loss for the quarter of \$38k (a \$17k negative variance to the budgeted loss of \$21k). Carter Observatory's performance which is included in this result shows a surplus of \$19k compared to a budgeted deficit of \$46.7k (a positive variance of \$65.7k). Variances are due to timing and will normalise during the year.</p> <p>A positive variance in Operating Cash Flow, led by trading receipts of \$704k (or \$307k ahead of budget) caused the Trust to improve its strong opening cash position. At 30 Sep 2014 the Trust held cash on hand of \$2.7m, a positive variance of \$1.0m.</p>							

CONTACT OFFICER

MATASHA BETHKOVIC JEREMIC

WELLINGTON MUSEUMS TRUST

Q1 REVIEW TO 30 SEPTEMBER 2014

KPI DASHBOARD					
<p>✓ Achieved ✗ Not Achieved. The 3 Year Trend = year on year actual/nominal performance → Steady ↗ Improving ↘ Declining</p> <p>The table contains a selection of KPIs and measures and is not a complete list.</p>					
MEASURE		Q1	YTD	3 Year	Comments
		30 Sep 14	30 Sep 14	Trend	
Council grant/visit	Actual	\$11.40 ✓		↘	Q1 performance ahead of target due to visitor numbers exceeding forecast.
	Target	\$14.10			
Full cost subsidy*/visit	Actual	\$15.06 ✓		n/a	This measure is owned by Council and includes property costs which the Trust does not control plus grant funding.
	Target	\$16.47			
Average spend/visit	Actual	\$2.04 ✗		→	Below target for the quarter.
	Target	\$3.11			
Total visits	Actual	141,572 ✓		→	Q1 was 9% ahead of target led by strong visitation at City Gallery.
	Target	130,453			
Cable Car	Actual	38,337 ✗		→	The quarter targets do not reflect the seasonality of the Cable Car Museum. Visitors in Q1 average 35,700 in the previous 2 years.
	Target	50,512			
City Gallery	Actual	50,438 ✓		↗	The positive variance for City Gallery was largely due to the strong response to the Seung Yul Oh exhibition.
	Target	35,000			
Capital E	Actual	15,984 ✓		↘	Audience projections for this venue were conservative given the new location.
	Target	13,000			
MoW City & Sea	Actual	25,692 ✓		↗	The positive variance is due to a change in style and delivery of programmes, and the supporting marketing.
	Target	20,160			
Carter	Actual	10,550 ✗		→	
	Target	11,250			
<p>*Council operating grant plus property related cost (including rental grant paid for Capital E). This is a new measure required by Council and includes property costs which the Trust does not control.</p>					

ISSUES & OUTLOOK
<p>Provision for Children and Young People - implementation of the interim strategy will be in place by 31 December 2015.</p> <p>The Trust has made submissions for consideration with Councils 2015-25 Long Term Plan (LTP) on the business model and operating grant for Carter Observatory, capital expenditure grants for Museum of Wellington City & Sea and City Gallery and increasing the Trust's operating grant which is not currently adjusted for inflation.</p>

CONTACT OFFICER

NATASHA PETKOVIC, JEREMIAH

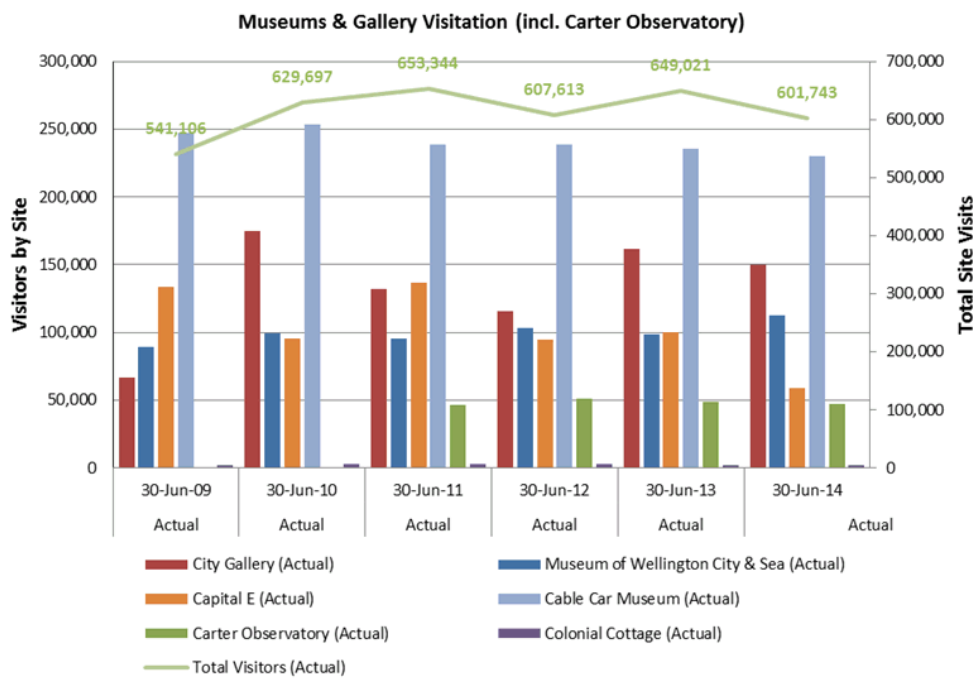
WELLINGTON MUSEUMS TRUST

Q1 REVIEW TO 30 SEPTEMBER 2014

EFFECTIVENESS INDICATORS

The Trust operates the following facilities; City Gallery Wellington, Capital E, Carter Observatory, Museum of Wellington City & Sea, Cable Car Museum, Colonial Cottage Museum and the New Zealand Cricket Museum (jointly with the New Zealand Cricket Museum Trust).

EFFECTIVENESS 30 JUNE	2009	2010	2011	2012	2013	2014
Total Visitors	538,950	629,697	653,344	607,613	649,021	601,743
Operating & Rental Grant / Visitor	\$11.64	\$10.85	\$11.83	\$13.06	\$12.66	\$13.30
Non-Council Revenue / Visitor	\$3.78	\$3.79	\$4.96	\$5.22	\$5.36	\$4.90
Average Spend / Visitor	\$1.79	\$2.11	\$2.41	\$2.36	\$2.92	\$2.66



CONTACT OFFICER

MATASHA PETKOVIC, JEREMIC

Wellington Museums Trust
2014-15
Report as at 30 September 2014 (Quarter 1)

Financial Position

The Trust's result to 30 September 2014 shows a deficit of \$38,779 compared to a budgeted deficit of \$18,793. All variances are timing. Carter Observatory's result to 30 September 2014 (included above) shows a surplus of \$19,380 compared to a budgeted deficit of \$46,672. This is a timing variance and all expenditure as budgeted is expected to be incurred in the coming months.

KPIs

The quarter targets do not reflect the seasonality of the Cable Car Museum. In July, Capital E opened E Central in its new home at Queens Wharf. Audience projections for this venue were conservative given the new location. The positive variance for City Gallery was largely due to the strong response received to the Seung Yul Oh exhibition which attracted a wide range of visitors, especially families and school groups. The increase in visitation for the Museum of Wellington City & Sea is due to a change in style and delivery of programmes, and the supporting marketing. In particular Third Thursdays and the Jazz evenings have been very successful.

Quality of Visit figures are not provided for the Colonial Cottage Museum as data was not collected during Q1. This will be collected for the remaining quarters.

SOI Projects

- Museum of Wellington City & Sea Development – with Council and Government CAPX confirmed, an application for building consent was lodged with Council and tender documents prepared. A bid for CAPX funding for Phases two and three has been included in our Long-term Plan Submission.
- Carter Observatory – the business model has been reviewed and the proposed new operating model which requires an increase in Council's operating grant has been included in our Long-term Plan submission.
- City Gallery Wellington Entrance and Foyer Development – concepts have been developed and fundraising commenced. A bid for CAPX funding for Phase one and two has been included in our Long-term Plan submission.
- Provision for Children and Young People - implementation of the interim strategy will be in place by 31 December.2015.

Highlights

- Capital E Central space on Queens Wharf was launched to Wellington public with *The Big Reveal* in early July.
- Capital E National Theatre for Children tour of *An Awfully Big Adventure* has reached over 5,600 young people to date.
- New programmes – particularly *A Short History of Jazz* – far exceeded target numbers and brought new audiences into the Museum of Wellington City & Sea.
- The *Adopt-A-Star* product at Carter Observatory has had a renewed marketing campaign resulting in a sales spike, including the sale of six of the most expensive stars, which haven't previously been purchased.
- City Gallery Wellington had record attendance of 55,135 for the exhibition *Seung Yul Oh: MOAMOA A Decade*. A gorgeous catalogue publication has been produced, which is now being distributed nationally and internationally.
- The *Tuatara Open Lates* for August and September were both particularly special with the Gallery's 21st birthday celebrations in August and the launch of the William Kentridge exhibition in September.

Other Activity

- The Trust has made a Long-term Plan submission on the Carter Observatory's business model and operating grant; CAPX; and increasing the Trust's operating grant which is currently not adjusted for inflation.

Pat Stuart
Chief Executive

WELLINGTON MUSEUMS TRUST

STATEMENT OF FINANCIAL PERFORMANCE

audited SOI & Quarterly Financial Statements

Months in period

OPERATING REVENUE

	SOI Budget 30-Sep-14 \$000s	SOI Budget 31-Dec-14 \$000s	SOI Budget 31-Mar-15 \$000s	SOI Budget 30-Jun-15 \$000s	Actual 30-Sep-14 \$000s	Actual 31-Dec-14 \$000s	Actual 31-Mar-15 \$000s	Actual 30-Jun-15 \$000s	Budget 30-Jun-15 \$000s	Budget 30-Jun-16 \$000s	Bud 30-Jun-16 \$000s
Trading income	393	393	393	393	269				1,573	1,382	1,600
Council operating grant	1,613	1,613	1,613	1,613	1,613				6,453	6,403	6,400
Council rental grant	442	442	442	442	442				1,769	1,769	1,769
Cultural grants	214	214	214	214	342						
Creative New Zealand grant											
Other grants, sponsorship and donations	137	137	137	137	8				1,402	1,159	1,300
Admissions & sales											
Facility hire											
Sub-lease income											
Other operating revenue	60	60	60	60	48				239	242	242
TOTAL OPERATING REVENUE	2,859	2,859	2,859	2,859	2,722	0	0	0	11,436	10,955	11,400
Interest income	18	18	18	18	30				70	70	
Other non-operating income											
TOTAL REVENUE	2,877	2,877	2,877	2,877	2,752	0	0	0	11,506	11,025	11,400

OPERATING EXPENSES

Personnel costs	1,224	1,224	1,224	1,224	1,296				4,897	5,025	5,000
Council rent	338	338	338	338	338				1,353	1,353	1,353
Exhibitions & programmes	511	511	511	511	379				2,044	1,628	2,000
Marketing & promotions	158	158	158	158	171				630	578	600
Occupancy costs (excl. rent)	332	332	332	332	259				1,328	1,330	1,300
Communication costs	32	32	32	32	31				126	120	120
Trustee fees & expenses	19	19	19	19	18				77	77	77
Technology costs	38	38	38	38	24				154	166	166
Professional fees	10	10	10	10	121				40	40	40
Administration expenses	109	109	109	109	91				437	441	441
Other operating expenses	30	30	30	30	9				121	121	121
Auditors remuneration											
Interest expense											
OPERATING EXPENSES BEFORE DEPRECIATION	2,801	2,801	2,801	2,801	2,737	0	0	0	11,207	10,879	11,400
Depreciation	95	95	95	95	53				381	381	381
TOTAL OPERATING EXPENSES	2,896	2,896	2,896	2,896	2,790	0	0	0	11,588	11,260	11,781
Adjustments	(2)	(2)	(2)	(2)							
NET SURPLUS FOR YEAR	(21)	(21)	(21)	(21)	(38)	0	0	0	(82)	(235)	(381)

TATEMENT OF FINANCIAL POSITION

audited SOI & Quarterly Financial Statements

	SOI Budget 30-Sep-14	SOI Budget 31-Dec-14	SOI Budget 31-Mar-15	SOI Budget 30-Jun-15	Actual 30-Sep-14	Actual 31-Dec-14	Actual 31-Mar-15	Actual 30-Jun-15	Budget 30-Jun-15	Budget 30-Jun-16	Bud 30-Jun-
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Cash & liquid investments	1,670	43	1,655	68	2,701				68	11	
Trade receivables	239	239	239	239	86				239	251	
Related party receivables											
Inventory											
Other current assets	105	105	105	105	443				105	110	
URRENT ASSETS	2,014	387	1,999	412	3,230	0	0	0	412	372	
Fixed assets	4,162	4,179	4,197	4,214	3,994				4,214	4,303	4,000
Collections and artefacts											
Intangibles											
Other non-current assets	16	16	16	16	15				16	16	
TAL ASSETS	6,192	4,582	6,212	4,642	7,239	0	0	0	4,642	4,691	4,000
Bank overdraft & short term debt										172	
Trade payables	572	577	622	671	1,405				671	758	
Related party payables											
Unearned income											
Provisions (employees & holiday pay)	488	493	498	500	293				500	525	
Other current liabilities											
URRENT LIABILITIES	1,060	1,070	1,120	1,171	1,698	0	0	0	1,171	1,455	1,000
Term loan											
Council loan											
Provisions (employee benefits)											
Other non-current liabilities	1,601		1,601		1,588						
TAL LIABILITIES	2,661	1,070	2,721	1,171	3,286	0	0	0	1,171	1,455	1,000
QUITY											
Accumulated funds	2,161	2,161	2,161	2,161	2,175				2,161	2,161	2,100
Retained Earnings	1,371	1,351	1,330	1,310	1,778				1,310	1,075	
TAL EQUITY	3,532	3,512	3,491	3,471	3,953	0	0	0	3,471	3,236	2,100
Contingent liabilities											
HECK ITEMS (should be 0)											
Assets - (liabs + net worth)	(1,000)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000

STATEMENT OF CASH FLOWS

audited SOI & Quarterly Financial Statements

OPERATING ACTIVITIES

Cash was provided from:

Trading receipts

Council grants

Cultural & other grants

Sponsorships & donations

Other receipts

Cash was applied to:

Payments to employees

Payments to suppliers

Other operating costs

GST (rebates) & other tax payments

OPERATING CASH FLOW

VESTING ACTIVITIES

Cash was provided from:

Sale of fixed assets

Other investment income

Cash was applied to:

Purchase of fixed assets

Toward investments

Other investment costs

VESTMENT CASH FLOW

FINANCING ACTIVITIES

Cash was provided from:

Borrowings

From investments

Other financing activity (grants)

Cash was applied to:

Borrowings repaid

Interest paid

Other financing activity

FINANCING CASH FLOW

NET INCREASE (DECREASE) IN CASH HELD

Add Opening Cash Bought Forward

Adjustments

Closing Cash Carried Forward

	SOI Budget 30-Sep-14 \$000s	SOI Budget 31-Dec-14 \$000s	SOI Budget 31-Mar-15 \$000s	SOI Budget 30-Jun-15 \$000s	Actual 30-Sep-14 \$000s	Actual 31-Dec-14 \$000s	Actual 31-Mar-15 \$000s	Actual 30-Jun-15 \$000s	Budget 30-Jun-15 \$000s	Budget 30-Jun-16 \$000s	Bud 30-Jun- \$000s
OPERATING ACTIVITIES											
Cash was provided from:											
Trading receipts	397	393	393	393	704				1,577	1,365	1,6
Council grants	3,656	455	3,656	455	3,644				8,222	8,172	8,2
Cultural & other grants	214	214	214	214	342				855	848	8
Sponsorships & donations	137	137	137	137	7				547	311	3
Other receipts	60	60	60	60	78				239	242	2
Cash was applied to:											
Payments to employees	1,224	1,224	1,224	1,224	1,296				4,897	5,025	5,1
Payments to suppliers	1,861	1,861	1,822	1,820	1,784				7,364	6,887	7,4
Other operating costs											
GST (rebates) & other tax payments	(294)	(294)	(294)	(294)	2				(1,177)	(1,146)	(1,1
OPERATING CASH FLOW	1,673	(1,532)	1,708	(1,491)	1,693	0	0	0	356	172	
VESTING ACTIVITIES											
Cash was provided from:											
Sale of fixed assets											
Other investment income											
Cash was applied to:											
Purchase of fixed assets	113	113	113	113	44				450	470	
Toward investments											
Other investment costs											
VESTMENT CASH FLOW	(113)	(113)	(113)	(113)	(44)	0	0	0	(450)	(470)	(1
FINANCING ACTIVITIES											
Cash was provided from:											
Borrowings											
From investments	18	18	18	18					70	70	
Other financing activity (grants)											
Cash was applied to:											
Borrowings repaid											
Interest paid											
Other financing activity											
FINANCING CASH FLOW	18	18	18	18	0	0	0	0	70	70	
NET INCREASE (DECREASE) IN CASH HELD	1,578	(1,627)	1,613	(1,586)	1,649	0	0	0	(24)	(228)	(
Add Opening Cash Bought Forward	92	1,669	42	1,654	1,053	2,702	2,702	2,702	92	67	(1
Adjustments	(1)		(1)	(1)					(1)	(1)	
Closing Cash Carried Forward	1,669	42	1,654	67	2,702	2,702	2,702	2,702	67	(162)	(2

EY PERFORMANCE INDICATORS

NON-FINANCIAL

Visitors^

	30-Sep-14	31-Dec-14	31-Mar-15	30-Jun-15	30-Sep-14	31-Dec-14	31-Mar-15	30-Jun-15	30-Jun-15	30-Jun-16	30-Jun-
Museums Wellington*	71,203	85,358	85,359	71,203	64,600	0	0	0	313,123	327,198	327,123
City Gallery	35,000	35,000	35,000	35,000	50,438				140,000	145,000	150,000
Museum of Wellington City & Sea	20,160	24,840	24,840	20,160	25,692				90,000	104,000	104,000
Capital E	13,000	13,000	41,000	13,000	15,984				80,000	62,000	90,000
Cable Car Museum	50,512	59,987	59,987	50,512	38,337				220,998	220,998	220,998
Carter Observatory	11,250	13,750	13,750	11,250	10,550				50,000	50,000	50,000
Colonial Cottage Museum	531	531	532	531	571				2,125	2,200	2,200
Total Visitors	130,453	147,108	175,109	130,453	141,572	0	0	0	583,123	584,198	617,123
Variance as % of budget per quarter					9%	0%	0%	0%			
YTD Visitors					141,572	141,572	141,572	141,572			
Sum of YTD variances					11,119	11,119	11,119	11,119			
Variance as % of budget per YTD					9%	4%	2%	2%			

Virtual Visitors

City Gallery	18,000	18,000	18,000	18,000	20,129				72,000	76,000	78,000
Museums Wellington*	10,375	10,375	10,375	10,375	8,123				41,500	46,500	51,500
Capital E	7,500	7,500	7,500	7,500	13,192				30,000	36,000	36,000
Carter Observatory	10,375	10,375	10,375	10,375	8,053				41,500	44,000	46,500
Total Visitors	46,250	46,250	46,250	46,250	49,497	0	0	0	185,000	202,500	212,000

Social Media Profile

City Gallery	3,875	3,875	3,875	3,875	19,343				15,500	16,500	17,000
Museums Wellington*	812	812	813	813	3,390				3,250	4,000	4,750
Carter Observatory	1,312	1,312	1,313	1,313	5,568				5,250	5,750	6,250
Total Visitors	5,999	5,999	6,001	6,001	28,301	0	0	0	24,000	26,250	28,000

Quality of Physical Visit

City Gallery					89%				90%	90%	9
Museum of Wellington City & Sea					91%				90%	90%	9
Capital E					96%				90%	90%	9
Cable Car Museum					87%				90%	90%	9
Carter Observatory					92%				90%	90%	9
Colonial Cottage Museum					**				90%	90%	9
Wellington Museums Trust Average (as reported)					91%				90%	90%	9

Repeat visitation

City Gallery					75%				40%	40%	4
Museum of Wellington City & Sea					26%				25%	25%	2
Capital E					38%				40%	40%	4
Cable Car Museum					56%				25%	25%	2
Carter Observatory					22%				20%	23%	2
Wellington Museums Trust Average (as reported)					43%				30%	31%	3

Residents' Awareness

City Gallery									92%	95%	9
Museum of Wellington City & Sea									92%	95%	9
Capital E									90%	90%	9
Cable Car Museum									92%	95%	9
Carter Observatory									92%	95%	9
Colonial Cottage Museum									60%	60%	6
Wellington Museums Trust Average (as reported)									86%	88%	8

Collection Development

Collection Aligned with Policy									85%	85%	8
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NANCIAL

Non-Council Revenue

City Gallery					100				502	502	€
Museums Wellington*					81				551	564	€
Capital E					256				1,417	1,045	1,4
Carter Observatory					133				599	594	€
Sub Total	0	0	0	0	570	0	0	0	3,069	2,705	3,0
Interest and sub lease income (Calculation)	0	0	0	0	(443)	0	0	0	214	148	2
Total Non-Council Revenue to Wellington Museums Trust					127				3,283	2,853	3,2
% Total Revenue	0.0%	0.0%	0.0%	0.0%	4.6%	#DIV/0!	#DIV/0!	#DIV/0!	28.5%	25.9%	28.

Spend per visit^

City Gallery					\$0.45				\$1.71	\$1.65	\$1
Museums Wellington*					\$1.23				\$1.39	\$1.37	\$1
Capital E					\$4.66				\$7.20	\$6.06	\$6
Carter Observatory					\$9.03				\$9.88	\$9.86	\$3
Wellington Museums Trust Average (as reported)					\$2.04				\$3.11	\$2.78	\$3

Council subsidy per visit^

City Gallery					\$11.07				\$14.36	\$13.84	\$13
Museums Wellington*					\$7.18				\$5.47	\$5.19	\$5
Capital E***					\$25.24				\$17.43	\$20.69	\$15
Carter Observatory					\$7.39				\$7.88	\$7.89	\$8
Wellington Museums Trust Average (as reported)					\$11.40				\$14.10	\$13.99	\$13

Council's Ownership Interest subsidy per visit

	30-Sep-14	31-Dec-14	31-Mar-15	30-Jun-15	30-Sep-14	31-Dec-14	31-Mar-15	30-Jun-15	30-Jun-15	30-Jun-16	30-Jun-
City Gallery	4.94				\$3.05				\$4.95		
Cable Car Museum	0.34				\$0.47				\$0.32		
Colonial Cottage	11.3				\$10.51				\$11.29		
Museum of Wellington City & Sea	5.56				\$4.40				\$4.98		
Carter Observatory	11.64				\$12.51				\$10.48		
Wellington Museums Trust Average (as reported)	\$3.37				\$2.99				\$3.02		

Council's Ownership Interest^{AA}

City Gallery (Council Property Costs)	173	173	173	173	154				693	
Cable Car Museum (Council Property Costs)	17	17	17	17	18				70	
Colonial Cottage (Council Property Costs)	6	6	6	6	6				24	
Museum of Wellington City & Sea (Council Property Costs)	112	112	112	112	113				448	
Carter Observatory (Council Property Costs)	209	209	209	209	210				524	
Total Direct Ownership Cost to Council	518	518	518	518	501	0	0	0	1,759	0

Notes & KPI definitions

^AMuseums Wellington includes the Museum of Wellington City & Sea, the Cable Car Museum and the Colonial Cottage Museum. Direct resources and overheads are shared across all institutions and revenue and subsidy per visit is aggregated.

^BThe target will be met if the result is within the range of +/-5%.

^CVisitation is the total number of visits including general public, education and functions attendees.

^DVirtual Visitation is the total number of unique user visits to institutional web/mobile sites.

^ESocial Media Profile is a snapshot of the number Facebook friends and Twitter followers at period end. Capital E is not included in this KPI because its target audience is below the age allowed by Facebook and Twitter.

^FQuality of visit is a combination of the relevance of the experience, the knowledge gained, the friendliness of staff, the length of visit and overall enjoyment.

^G*Colonial Cottage Museum did not collect Quality of Visit data during Q1 but will do so for the coming quarters.

^HRepeat visitation counts the number of visitors who have visited the institution at least once before in the previous twelve months.

^ICity residents' awareness is the number of city residents who know about our institutions and visit them (collected annually).

^JThe percentage of items aligned with the Collections Policy assesses progress towards aligning collections in our care to our Collections Policy (assessed annually).

^KNon-Council revenue includes revenue from all other sources.

^LSubsidy per visit is calculated by dividing Council base-line funding by the number of visits per year.

^M**Includes the rental subsidy now used to fund leased accommodation for Capital E.

^NSpend per visit is calculated by dividing admissions/retail/venue hire revenue by the number of visits.

^OCouncil's Ownership Interest subsidy per visit: Following a change of Council policy the Trust is required to report the subsidy per visitor of its ownership costs. These are costs incurred by Council which the Trust neither manages nor controls.

^PCouncil's Ownership Interest are costs incurred by Council which the Trust neither manages nor controls.

^Q^ABased on figures provided by Council and excludes Capital E's rental subsidy which is included in the "Council Subsidy per Visit" table.

2015/16 LETTERS OF EXPECTATION TO COUNCIL CONTROLLED ORGANISATIONS

Purpose

1. To seek the Committee's consideration and input into the key messages for the 2015/16 Letters of Expectation to the following Council Controlled Organisations (CCOs):
 - Wellington Museums Trust
 - Basin Reserve Trust
 - Wellington Regional Stadium Trust (although it is not formally a CCO)
2. Note that no 2015/16 Letters of Expectation will be prepared for Positively Wellington Venues or Positively Wellington Tourism because they will have been incorporated into the new Wellington Regional Economic Development Agency by 1 July 2015.

Summary

3. This report outlines the key messages and general issues that all CCOs will be asked to discuss as part of their 2015/16 Statement of Intent.
4. Because of the difference in timing of committee meetings and decision making for the 2015-25 Long Term Plan, the report recommends that authority be delegated to the Chair to approve specific issues for each CCO that will be addressed in the Letter of Expectation following the Council's deliberations on the draft LTP.
5. Officers will incorporate any feedback from the Committee into the formal Letters of Expectation. These will be signed by the Chair of the Economic Growth and Arts Committee before 19 December 2014.

Recommendations

That the Economic Growth and Arts Committee:

1. Receive the information.
2. Confirm the general messages as outlined in this report to be included in the 2015/16 Letters of Expectation to the following organisations:
 - a) Basin Reserve Trust
 - b) Wellington Museums Trust
 - c) Wellington Regional Stadium Trust
3. Agree to delegate authority to the Chair to approve the specific messages to be directed to each entity through the Letter of Expectation following approval of the draft 2015-25 Long Term Plan budget on 10 December 2014.

4. Note that officers will prepare formal 2015/16 Letters of Expectation incorporating the directions of the Committee for signing by the Chair of the Committee.
5. Note that the Committee can expect to receive draft 2015/16 Statements of Intent, alongside officers' analyses, for its consideration at the March/April 2015 meetings.

Background

6. All Council Controlled Organisations are required by the Local Government Act 2002 to prepare a draft Statement of Intent (SOI) for the Council by 1 March of the preceding financial year. To provide an owner's perspective and input into this strategic document, the Council sets out its expectations in a Letter of Expectation (LoE). This process provides both the Council and CCOs with an opportunity to fine-tune respective expectations ahead of submitting a final SOI for Council's approval.
7. The draft timetable for approval of 2015/16 Statements of Intent is outlined in the table below:

Item	Date	Comment
Committee input into 2015/16 LoEs.	18 November 2014	Officers receive any Committee feedback and incorporate it into final letters.
LoE sent to CCO board Chairs and copied to Chief Executives.	By 19 December 2014	Letters to be signed by Committee Chair.
Draft SOIs received by officers	1 March 2015	Note: this is the statutory deadline.
Draft SOIs presented to this Committee	17 March 2015	Officers analyse SOIs and provide advice to the Committee.
Committee feedback on draft SOIs provided to CCOs	Before 8 April 2015	Letters to be signed by Chair of the Committee.
Final SOIs received by officers.	1 May 2015	
Final SOIs provided to Committee for approval.	2 June 2015	

Discussion

8. The 2015/16 Letters of Expectation will be split into three parts:
 - An introductory section stressing the importance of the SOIs, the need for quality and noting any general issues largely affecting all the CCOs.
 - A short, focused section outlining the key issues for each CCO from an ownership perspective.
 - A more detailed appendix outlining what needs to be covered by the particular CCOs in their draft SOIs.

General Issues

9. Through the Letter of Expectation, each CCO will be asked to discuss the following general issues:
- Their alignment with the Council's relevant strategic priorities and policies as signalled in the draft 2015-25 Long Term Plan, through the Economic Growth Agenda and the Urban Growth Plan.
 - Opportunities to engage with the Wellington Regional Economic Development Agency (WREDA) to support their performance objectives.
 - A review of the CCO's Business Continuity Plan (BCP), including seeking endorsement of its BCP from the Council's Audit and Risk manager.
 - The impact of the new Health and Safety regulations on CCO levels of performance.

Specific Issues

10. CCOs will be impacted by 2015-25 LTP funding decisions that will be put forward at a meeting of the Governance, Finance and Planning Committee (GFP) on 10 December 2014. As such, specific messages and issues to each CCO cannot be agreed prior to that meeting.
11. Because there are no meetings for the Economic Growth and Arts committee in December, officers recommend that the Committee agree to delegate the Chair to approve the specific messages to go out to the Basin Reserve Trust, the Museums Trust and the Wellington Regional Stadium Trust through the LoE following the GFP meeting on 10 December.

Attachments

Nil

Authors	Richard Hardie, Portfolio Manager Warwick Hayes, CCO Project Manager
Authoriser	Derek Fry, Director City Growth & Partnerships

SUPPORTING INFORMATION

Consultation and Engagement

Not applicable.

Treaty of Waitangi considerations

Not applicable.

Financial implications

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

Policy and legislative implications

Not relevant.

Risks / legal

Not relevant.

Climate Change impact and considerations

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

Communications Plan

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

ARTS AND CULTURE FUND- OCTOBER 2014

Purpose

1. To provide recommendations for the distribution of the Council's Arts and Culture Fund

Summary

2. The Council provides grants to assist community groups to undertake projects that meet community needs. Grants are also a mechanism for achieving the Council's objectives and strategic priorities, especially those priorities that rely on community organisations carrying out specific activities.
3. The 2013 review of the grant criteria proposed a move away from generic criteria in favour of specific criteria for each fund. While each pool may share a number of criteria, others would be tailored to suit the particular demands of that community of interest and relevant Council outcomes.

Recommendations

That the Economic Growth and Arts Committee:

1. Receive the information.
2. Agree to fund the applications as listed below and in attachment 2.

Background

4. The Arts and Culture Strategy and Events Policy provided the strategic framework to establish criteria for the Arts and Culture Fund. The fund's focus areas are- :
 - a. the city as hothouse for talent,
 - b. Wellington as a region of confident identities,
 - c. active and engaged people, and
 - d. our creative future through technology.

The criteria and focus areas for the Arts and Culture Fund are included as Attachment 1.

5. In line with planning and support for commemorations of the First World War (WW100) Council has through public meetings and other promotion encouraged community arts, cultural and heritage groups to discuss projects and seek support through the Arts and Culture and Social and Recreation Funds.

Discussion

6. These funds provide grants to community organisations for projects that meet the criteria for the funds (Attachment 1). This is the second of the three funding rounds for

2014-15. The next funding round for the Arts and Culture (and the Business Improvement District Development Fund) will close on 22 March 2015 with applications considered by the Economic Growth and Arts Committee on 21 April 2015.

7. There are 60 applications to the Arts and Culture Fund requesting a total of \$383,495. Officers are recommending the Economic Growth and Arts Committee support 26 projects with grants totalling \$109,186. These recommendations (Attachment 2) include projects relating to WW100 commemorations, the First World War Centenary project are supporting these projects. In addition there are other commemorative projects which will be considered by the Community, Sport and Recreation Committee as part of the Social and Recreation Fund applications.
8. The recommendations (Attachment 2) are based on evidence of need, alignment with the Council's strategic goals, the fund criteria (Attachment 1) and the likely effectiveness of funding the project. Officers also take into account the management of previous funding (through accountability reports). Attachment 2 lists the applicant organisation name, a brief project description, the total project cost, amount requested and general comments from Council Officers.
9. The original information provided through online application has been made available.
10. The assessment process may include consultation with -: the applicant, persons or organisations referred to in the application, Council officers from across the organisation (notably the City Arts, City Growth and Partnerships, Community Events and Community Services teams). Applicants are given two working days where possible to respond to a request for more information, so some recommendations may be subject to change depending on responses received after this report has been written.
11. To ensure funds are used appropriately, conditions may be suggested should funding be approved. This is usually in cases where applicants need to use funds for a specific aspect of their budget, to confirm with Council where activity might take place or if they are awaiting confirmation of sufficient funds from other sources.

Options

12. The Economic Growth and Arts Committee is asked to consider the applications received for the Arts and Culture Fund and decide whether or not it is appropriate to fund applicant organisations, and at what level.

Attachments

Attachment 1.	Arts and Culture Fund Criteria	Page 120
Attachment 2.	Arts and Culture Fund October 2014 Recommendations	Page 122

Author	Mark Farrar, Team Leader Funding and Relationships
Authoriser	Greg Orchard, Chief Operating Officer

SUPPORTING INFORMATION

Consultation and Engagement

N/A

Treaty of Waitangi considerations

Any grants application that could have implications for Maori are referred to WCC Treaty Relations Office for recommendations. For the Arts and Culture Fund there are specific criteria and questions relating to Maori: this question focuses on projects that enhance visibility of Maori cultural practice and/or contemporary applications of Maori cultural practice.

Financial implications

The Long Term Plan makes provision for community grants in several places -2.1.6 - Community environmental initiatives, 3.1.4 - Grants and creative workforce, 4.1.4 – (Arts and) Cultural grants, and 5.2.4 - Grants (Social and Recreation). The Arts and Culture Fund comes under project C661 and the Business Improvement District Development Fund comes under project C647.

Policy and legislative implications

Council funds have been created to assist community initiatives in line with Council strategy. Council Officers engage and consult widely with a range of groups and organisations before funding applications are made and throughout the assessment process, consistent with the Arts and Culture Strategy, Events Policy and long term plan Cultural Well Being strategy.

Risks/legal

No legal implications

Climate Change impact and considerations

N/A

Communications Plan

N/A

Attachment 1 - Arts and Culture Fund Criteria

This fund has four focus areas that can be supported - the city as a hothouse for talent, Wellington as a region of confident identities, active and engaged people, and our creative future through technology.

Fund objectives

- To support the city as a hothouse for talent
- To reinforce Wellington as a region of confident identities
- To support active and engaged people
- To encourage our creative future through technology.

Criteria

Projects make a positive contribution to achieving the Council's strategic outcomes:

Towards 2040: Smart Capital strategy

- **People Centred City:** Contributes to healthy, vibrant, affordable and resilient communities, with a strong sense of identity and 'place' expressed through urban form, openness and accessibility.
- **Connected City:** Supports a city with easy physical and virtual access to regional, national and global networks.
- **Eco-City:** Allows the city to proactively respond to environmental challenges and seize opportunities to grow the green economy.
- **Dynamic Central City:** Supports a central city of creativity, exploration and innovation, helping Wellington to offer the lifestyle, entertainment and amenity of a much bigger city.

Long Term Plan 2012-22 priorities:

- An inclusive place where talent wants to live
- A resilient city
- A well managed city
- Annual Plan priorities for the relevant year.

The project is Wellington-based and mainly benefits the people of Wellington. (exceptions may be made for projects based elsewhere in the region, but which significantly benefit Wellington City residents).

The applicant is a legally constituted community group or organisation.

The applicant provides evidence of sound financial management, good employment practice, clear and detailed planning, clear performance measures, and reporting processes.

The applicant outlines how physical accessibility has been built into project development.

The applicant outlines how pricing has been set to ensure access by a wide range of people or by the intended users.

The project should show evidence of community support, collaboration, and building partnerships with other organisations (e.g. social media interest, letters of support from other organisations/leaders).

The applicant must show that the project discernibly improves community wellbeing and adds value to the range of similar types of services in the community.

The Council acknowledges the significance of Māori cultural practice. Demonstrate how your project values and increases the visibility of Māori cultural traditions and contemporary applications.

New and developmental arts projects. We can support new and developmental arts projects. Applicants will need to demonstrate the formative nature of the project.

Focus Areas

The city as a hothouse for talent

Priority will be given to projects that:

- Ensure there is an appropriate range of platforms for local talent to present their works
- Value new talent and connect it with support networks

Wellington as a region of confident identities

Priority will be given to projects that:

- Recognise and celebrate the role of mana whenua and Māori history in the city
- Enable all ethnic, demographic and suburban communities to explore, celebrate and share their own cultural identity
- Enable suburban and other geographical communities to undertake projects that explore, celebrate and share their own identity

Active and engaged people

Priority will be given to projects that:

- Support arts practitioners to work with communities to develop work of, by and for that community
- Ensure the sustainability of organisations that facilitate and/or undertake activities within communities
- Maximise the potential of arts and cultural activities to increase community connectedness, resilience and participation in community/city decision-making

Our creative future through technology

Priority will be given to projects that:

- Increase access to technology for use in the creation, distribution and marketing of creative products and services

Appln No	Organisation Name	Project Description	Total Cost	Amount requested	Recommended Amount	Comments
1	2FACE Drama	A Christmas Dream	\$12,400.00	\$10,000.00	\$0.00	Supporting venue costs through a venue subsidy.
2	ADJOAA Limited	Africa Fashion Festival	\$70,900.00	\$18,000.00	\$0.00	Limited benefit to local communities, given pressure on available funding not a high priority.
3	Allan Giddy	Sonic Wells	\$115,784.74	\$10,945.00	\$6,000.00	Support for WW100 commemorative project
4	Alliance Française Wellington	WW1 Choir project	\$1,100.00	\$700.00	\$700.00	Concert commemorating WW100, linking France and NZ
5	Armenian Association	Memorial/Sculpture	\$13,200.00	\$5,000.00	\$0.00	Armenian community driven project to commission a memorial commemorating 100th anniversary of Armenian genocide, can seek support in 2015 once design and site are confirmed.
6	Aro Valley Community Council Inc	Aro Valley Fun Lab	\$1,800.00	\$1,800.00	\$1,800.00	Contribution to pilot arts projects delivered to local community based on 'playable city' ideas.
7	Asian Events Trust	Wellington Chinese New Year Festival 2015	\$106,250.00	\$10,000.00	\$6,000.00	Support for annual community festival
8	Asian Events Trust	Under the Same Moon	\$13,959.50	\$2,820.00	\$0.00	Good quality proposal, however due to pressure on available funding unable to support

9	Asia New Zealand Foundation	SE Asian Night Market	\$14,990.00	\$5,000.00	\$0.00	Partnership project with City Events, not a priority for this fund.
10	A Slightly Isolated Dog Limited	Perfectly Wasted - project w/ Long Cloud Youth Theatre	\$46,090.00	\$6,000.00	\$5,000.00	Innovative project involving young people, supported by Victoria University and Toi Whakaari-good fit with hothouse for local talent
11	Barbarian Productions Limited	Company Infrastructure Building	\$10,102.00	\$5,590.00	\$3,440.00	Supporting the producer role for community arts projects
12	Berhampore School History Project	Berhampore School Centennial History Project	\$7,300.00	\$6,000.00	\$0.00	Group can reapply in 2015, given pressure on available funding in this round
13	Capital Performing Arts Incorporated	Produce 10 monthly concerts. Funding is sought to offset the cost of advertising, Musical Director's fee, the CPA Orchestra rehearsal venue hire and maintaining a very good, functioning website.	\$34,850.00	\$5,600.00	\$2,000.00	Contribution to local community concerts at the Pines
14	Circa Theatre	Circa Theatre Accessibility Programme 2015	\$9,892.00	\$9,892.00	\$4,946.00	Contribution to accessibility initiatives at Circa Theatre
15	Community Music Junction LTD	Our Songs	\$18,880.00	\$4,320.00	\$0.00	Good quality community music project, however due to pressure on available funding unable to support

16	Crows Feet Dance Collective	The Armed Man	\$12,935.00	\$5,000.00	\$0.00	Low priority given pressure on available funding in this round, Officers will contact to discuss contribution through a venue subsidy.
17	Everybody Cool Lives Here Trust Board	Wake Up Tomorrow in Circa One	\$70,179.00	\$6,000.00	\$4,000.00	Programmes for Circa main stage with accessibility elements, innovative project, fits with hothouse for talent priority.
18	Footnote Dance Trust Board	Choreolab 2015	\$32,345.00	\$4,990.00	\$3,000.00	Provides contemporary dance professional development opportunities for emerging practitioners.
19	Jandals Inc	Measina Festival 2015	\$27,041.25	\$7,458.75	\$3,000.00	Emerging Measina festival providing opportunities for Pacifica dance and theatre practitioners in the city.
20	Java Dance Company Ltd.	The Wine Project Performance Series	\$61,795.00	\$4,500.00	\$3,000.00	High quality company delivering multiple projects delivering on our hothouse for local talent priority
21	Kaititiro	Kaititiro Issue 1 : Research and Development Phase 1	WITHDRAWN	WITHDRAWN	WITHDRAWN	WITHDRAWN
22	Newtown Community & Cultural Centre	100 Years of Life at Newtown Community Centre (Centenary Celebrations for the NCCC building)	\$8,050.00	\$7,000.00	\$0.00	Lower priority given pressure on available funding
23	Newtown Residents Association	Carrara Park Mural Reinstatement	\$5,000.00	\$5,000.00	\$0.00	Group can reapply in March in line

	Inc					with Council mural policy.
24	Newtown Residents Association Inc	Carrara Park Jazz Picnic	\$6,300.00	\$4,100.00	\$0.00	Newtown Fair is supported directly through contract funding and via City Events, lower priority given demand on this fund.
25	Newtown Residents Association Inc	Yarn Bombing	\$2,100.00	\$700.00	\$0.00	Newtown Fair is supported directly through contract funding and via City Events, lower priority given demand on this fund.
26	Newtown Residents Association Inc	Green Sreet Fashion Parade	\$2,900.00	\$1,700.00	\$0.00	Newtown Fair is supported directly through contract funding and via City Events, lower priority given demand on this fund.
27	Newtown Residents Association Inc	Te Atiawa Stage	\$8,000.00	\$3,900.00	\$0.00	Newtown Fair is supported directly through contract funding and via City Events, lower priority given demand on this fund.
28	Newtown Residents Association Inc	Scissor-lift Pop-up Stage	\$4,400.00	\$1,900.00	\$0.00	Newtown Fair is supported directly through contract funding and via City Events, lower priority given demand on this fund.
29	Newtown Residents Association Inc	Indian Community Stage	\$5,700.00	\$4,500.00	\$0.00	Newtown Fair is supported directly through contract funding and via City Events, lower priority given demand on this fund.

30	Newtown Residents Association Inc	Outdoor Circus Rig	\$5,000.00	\$3,500.00	\$0.00	Newtown Fair is supported directly through contract funding and via City Events, lower priority given demand on this fund.
31	New Zealand Book Council	NZ Book Council Writers in Schools	\$10,450.00	\$8,200.00	\$4,000.00	Support for programmes promoting literacy and reading to young people
32	New Zealand Cricket Museum	World War One XI	\$6,156.05	\$6,156.05	\$6,000.00	WW100 commemorative project, highly visible in public areas given location near to Memorial Park
33	New Zealand Portrait Gallery	Gallery signage/publicity	\$3,526.00	\$3,526.00	\$0.00	Lower priority given pressure on available funding
34	NZ Choral Federation, Wellington Region	THE BIG SING REGIONAL FESTIVAL 2015	\$42,930.30	\$15,000.00	\$0.00	Officers will discuss potential for support via venue subsidy in line with support in 2014
35	Pirate and Queen Ltd	Number One Field Punishment: A multimedia art presentation focussing on New Zealand conscientious objectors during World War One.	\$8,250.00	\$8,250.00	\$5,000.00	Development stage of a work focussed on the stories of conscientious objectors, WW100 commemorative project.
36	Projectkit Limited	Wellington Fashion Week - Sylista Challenge	\$26,550.00	\$10,000.00	\$0.00	Lower priority given pressure on available funding.
37	Royal New Zealand Ballet	Salute schools' workshops	\$12,942.00	\$10,000.00	\$7,000.00	WW100 commemorative project, giving students access to workshops and performances at schools in the city
38	RSCDS NZ Branch Inc. Wellington	ANZAC Weekend School	\$12,088.00	-	\$0.00	Limited public access, lower priority.

	Region					
39	School's Out	Sweet Sixteen Ball for Queer Youth	\$7,500.00	\$7,500.00	\$0.00	Not a good fit with fund criteria given pressure on available funding.
40	Shakespeare Globe Centre New Zealand Trust	SGCNZ UOSWSF & PPWS	\$156,500.00	\$15,000.00	\$9,000.00	Encourages young peoples participation in theatre. Support for primary (\$3,000) and secondary (\$6,000) programmes in Wellington
41	Soulnote Agency	Mana Vaine	\$11,000.00	\$11,000.00	\$0.00	Low priority given pressure on available funding, City Events will work with group alongside planning for Pacifica Festival
42	Sri Lanka Dance Academy Incorporated	SLDA 40th Anniversary Celebration Practices and Preparations	\$16,700.00	\$6,000.00	\$0.00	Lower priority given pressure on available funding, can reapply in 2015 for anniversary projects planned for September 2015.
43	Strathmore Park Community Base Inc	S.Park - Vocals & Guitar Tutoring	\$5,734.00	\$5,734.00	\$0.00	Application can be resubmitted in March 2015 when the project has been developed further, City Arts will work with group.
44	Tawata Productions	Putahi Festival 2015	\$35,215.00	\$18,240.00	\$8,000.00	Good fit with hothouse for local talent priority, support for this festival as it grows and develops
45	Te Rakau Hua O Te Wao Tapu	The Ragged	\$458,141.00	\$10,000.00	\$0.00	Good quality application, not a priority in this round due to pressure on available

						funding
46	Te Wharewaka o Poneke Charitable Trust	Waitangi Day 2015	\$13,500.00	\$5,000.00	\$2,000.00	Support for Waitangi Day festival events
47	Te Wharewaka o Poneke Charitable Trust	Waitangi Day 2015	WITHDRAWN	WITHDRAWN	WITHDRAWN	WITHDRAWN
48	The Bach Choir of Wellington	website development	\$1,345.50	\$1,345.50	\$0.00	Lower priority given pressure on available funding.
49	The Kupe Charitable Trust	Te Rā o Kupe - Community Māori festival.	\$14,540.00	\$6,500.00	\$4,000.00	Support for local community festival
50	The Long Hall Trust	The Long Hall Festival Opener	\$2,959.00	\$2,739.00	\$0.00	Lower priority given pressure on available funding
51	The New Zealand War Graves Trust	The New Zealand War Graves Project	\$10,000.00	\$10,000.00	\$0.00	Low priority given pressure on available funding in this round, can apply in March 2015.
52	The Pages Of History Theatre Team	Pages of History	\$23,000.00	\$17,225.00	\$0.00	Low priority given pressure on available funding, Capital 150th celebrations are already being supported by Council.
53	The Wellington Boys' and Girls' Institute	Emerging street artists in CubaDupa	\$9,200.00	\$6,500.00	\$3,000.00	Contribution to project, discussion with Officers to ensure mural style is in line with our mural policy
54	Unstrung	The Kitchen at the End of the World at Circa Theatre	\$28,365.07	\$3,450.00	\$0.00	Low priority given demand for support from this fund from Wellington based practitioners
55	Wellington After-Care Association Inc.	Oamaru Stone Workshop	\$800.00	\$800.00	\$800.00	Contribution to ten week programme offering creative

						experiences
56	Wellington Paranormal Investigators	Wellington Paranormal Investigators	\$3,620.00	\$3,620.00	\$0.00	Application does not fit fund criteria
57	Wellington Russian Club	Russian Christmas Festival for Children 2014	\$4,604.00	\$3,004.00	\$1,500.00	Contribution in line with previous allocations for Russian community festival
58	WellyStack Committee under Newtown Residents Association Inc	111	\$20,100.00	\$2,000.00	\$0.00	Lower priority given pressure on available funding
59	WellyStack Committee under Newtown Residents Association Inc	111	WITHDRAWN	WITHDRAWN	WITHDRAWN	WITHDRAWN
60	With Lime	7 Generations	\$24,425.00	\$3,200.00	\$2,000.00	Interdisciplinary works, fit with hothouse for local talent and creative future through technologies priorities.
61	www.MikeLoder.com	The Complete and Utter Guide to Stand Up Comedy (Abridged)	\$1,410.00	\$1,170.00	\$0.00	Good quality application, however given pressure on available funding not a priority for support
62	Young and Hungry Arts Trust	Young and Hungry Festival of New Theatre	\$108,046.19	\$15,000.00	\$12,000.00	Support for emerging theatre practitioners, good fit with hothouse for talent priority
63	Youthdance Education Trust	Wellington International Dance Day	\$9,420.00	\$5,420.00	\$2,000.00	Support for free event celebrating International Dance Day
		Total:	\$1,818,260.60	\$383,495.30	\$109,186.00	

2014/15 FIRST QUARTER REPORT

Purpose

1. This report outlines progress towards the delivery of the 2014/15 Annual Plan as at 30 September 2014.

Recommendation

That the Economic Growth and Arts Committee:

1. Note the information.

Background

2. The quarterly report informs councillors of progress against the annual plan, and also ensures the annual report does not contain any unexpected and significant variances from performance. Responsibility for the report falls within the purview of the Governance, Finance and Planning Committee.

Discussion

3. The quarterly report (Attachment 1), with the accompanying Performance Summary by Activity Area (Attachment 2), outlines the Council's progress against planned or budgeted performance for:
 - Income
 - Operational expenditure
 - Capital expenditure
 - Service delivery (KPI performance)
 - Compliance with Treasury Policy
 - Key programmes.
4. Significant variances are explained, by activity group, in Attachment 2. This quarterly report explains variances greater than 10%.
5. Details relating to significant projects are highlighted by relevant committee on pages 2-4 of Attachment 1.

Attachments

Attachment 1.	Quarter 1 Report (1 July - 30 September 2014)	Page 133
Attachment 2.	Quarter 1 Report (1 July - 30 September 2014): Performance Summary by Activity Area	Page 137

Author	Shanan Smith, Snr Adv Planning & Reporting
Authoriser	Brian Hannah, Director Strategy and External Relations

SUPPORTING INFORMATION

Consultation and Engagement

Not applicable.

Treaty of Waitangi considerations

Not applicable.

Financial implications

This report outlines progress against the planned projects, spending and service levels indicated in the annual plan.

Policy and legislative implications

Not applicable

Risks / legal

Not applicable. This report outlines progress towards the annual plan and annual report, which are legislative requirements.

Climate Change impact and considerations

Not applicable.

Communications Plan

Not applicable.

QUARTERLY REPORT

QUARTER 1 (1 JULY–30 SEPTEMBER 2014)

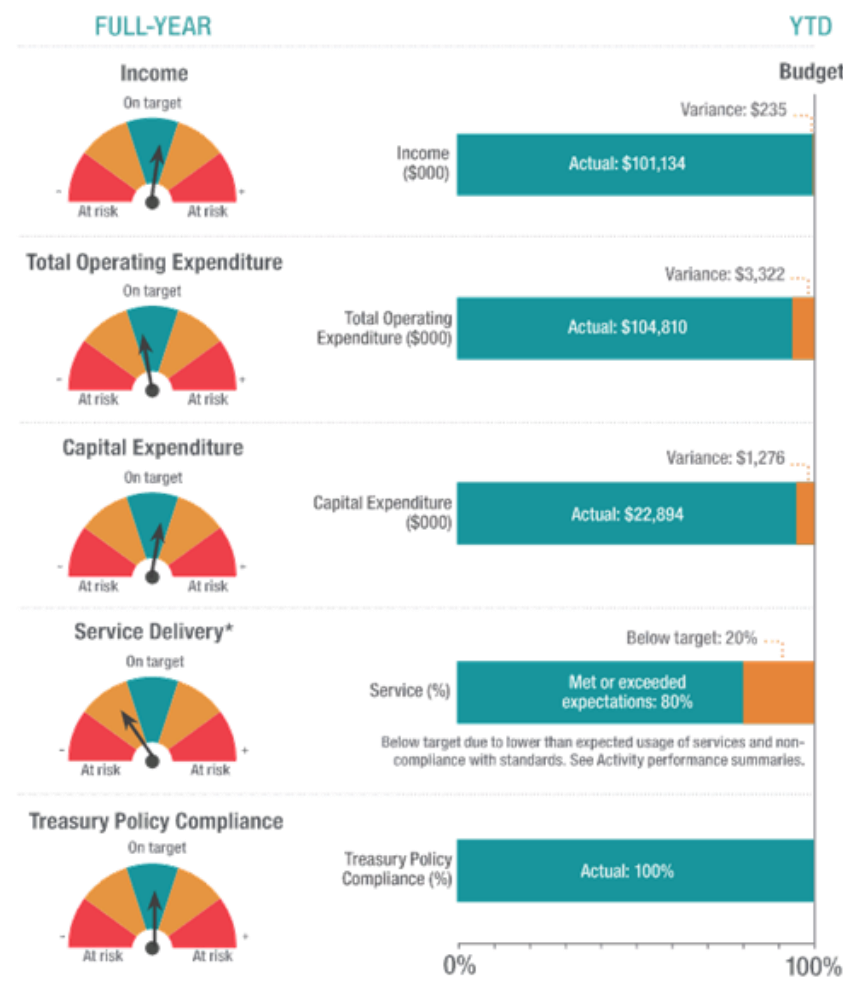
This report summarises the Council's progress in the first quarter of 2014/15 towards fulfilling the intentions outlined in the Annual Plan. Quarterly performance is assessed against:

- income
- total operating expenditure
- capital expenditure
- service delivery (KPI performance)
- Treasury policy compliance.

Areas where there is a risk to or significant variance from budgeted expectations are discussed in the performance summaries for each of the Council's seven activity areas.

Council is making good progress with the major projects it had planned for the year and is largely on track to meet year-end targets. Service performance exceptions are mainly due to lower than forecast use of services. See activity performance summaries for more information.

HOW ARE WE PERFORMING?



Note: that the figures for service performance only include key performance indicators (KPI) that are measured on a monthly or quarterly basis. Annual KPIs will be incorporated at year-end (30 June 2015). In some areas, KPIs exceeded their targets by over 10%. These exceptional results are also outlined in the Activity performance summaries.

FINANCIAL SNAPSHOT

STATEMENT OF FINANCIAL PERFORMANCE

The Council's consolidated financial performance for the period 1 July 2014 to 30 September 2014 is presented in this section. Note that numbers in brackets indicate an unfavourable variance from budget.

	YTD 2014/15			Full year 2014/15	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
Rates Income	63,754	63,817	(62)	255,267	255,267
Other Income	1,231	670	561	13,681	13,681
Lease Income	9,132	8,964	167	36,116	36,574
Interest Income	0	11	(11)	8	44
Income from Activities	26,175	26,939	(763)	126,110	123,205
Development Contributions	841	500	341	2,000	2,000
Total Income	101,134	100,901	235	433,182	430,771
Personnel Expenditure	24,002	24,441	439	97,615	97,678
General Expenses	52,636	52,450	(186)	202,256	200,245
Financing Expenditure	5,373	5,760	385	23,041	23,041
Depreciation & Loss/Gain on Sale	22,799	25,483	2,683	95,935	102,164
Total Expenditure	104,810	108,134	3,322	418,847	423,127
Net Operating Surplus/(Deficit)	(3,676)	(7,232)	3,557	14,335	7,644

The year-to-date net operating deficit of \$3.676m is \$3.557m better than the budgeted deficit of \$7.232m. This favourable variance is attributable to a combination of factors as outlined below.

INCOME

Year-to-date total income is above budget by \$0.235m:

- Other income is ahead of budget by \$0.561m due to unbudgeted income received from the disposal of assets.
- Development Contributions are \$0.341m higher than budget for the first three months, due to higher income from several residential developments.
- Income from Activities is \$0.763m under budget mainly due to lower New Zealand Transport Agency funding (\$0.581m) because of delays in the planned roading programme due to unfavourable weather.

EXPENDITURE

Year-to-date total expenditure is under budget by \$3.322 million:

- Depreciation & Loss/Gain on Sale is \$2.683m under budget due to savings as a result of the decrease in infrastructure asset values at 30 June 2014. These differences will be permanent.
- Personnel Expenditure is \$0.439m under budget mainly due to some vacancies across Council. These are timing differences only.
- Financing Expenditure is under budget by \$0.385m due to lower levels of borrowings and some delays in the capital programme in the first three months of the year.

FULL YEAR FORECAST

The forecast Net Operating Surplus for the year is currently \$6.7m more than budget. This includes \$6.3m of depreciation savings resulting from the decrease in infrastructure asset values at 30 June 2014 and \$3.8m additional funding from the New Zealand Transport Agency funding in respect of the capital roading programme. Offsetting these favourable forecast variances is lower revenue from pools, fitness centres, the ASB Sports Centre and building consents (\$1.4m), and Council-approved overspends for Community Events and the Events Development Fund (\$1.6m).

NET OPERATING EXPENDITURE

	YTD 2014/15			Full Year 2014/15	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
Governance	3,364	3,622	258	14,446	14,438
Environment	32,399	34,578	2,178	127,745	133,486
Economic Development	7,689	7,761	71	24,723	23,774
Cultural Wellbeing	6,544	6,809	265	18,012	17,190
Social and Recreation	13,235	13,733	497	51,111	50,228
Urban Development	4,803	4,706	(97)	19,537	19,270
Transport	5,795	6,457	662	25,581	25,028
Total Activity Area	73,829	77,664	3,835	281,157	283,414
Council	(70,153)	(70,432)	(279)	(295,492)	(291,058)
Total	3,676	7,232	3,557	(14,335)	(7,644)

CAPITAL EXPENDITURE

	YTD 2014/15			Full Year 2014/15	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
Governance	0	0	0	0	0
Environment	4,769	4,252	(518)	33,573	33,216
Economic Development	196	402	206	2,471	2,471
Cultural Wellbeing	0	0	0	356	356
Social and Recreation	6,783	8,006	1,223	30,607	30,775
Urban Development	2,083	1,562	(521)	22,837	22,717
Transport	5,718	6,655	937	44,111*	39,803
Total Activity Area	19,549	20,877	1,328	133,955	129,338
Council	3,345	3,293	(52)	24,090	22,675
Total	22,894	24,169	1,276	158,044	152,013

* The forecast includes additional expenditure on Rooding Capacity Projects of \$3.845m that will be funded from additional funding from the New Zealand Transport Agency.

STATEMENT OF BORROWINGS

Total committed borrowing facilities as at the end of September are \$486.5m providing headroom of \$165.5m. Our liquidity ratio is at 123% compared to the policy minimum of 110%.

	YTD 30 September 2014 \$000	30 June 2014 \$000
Facilities at start of year	460,500	429,000
New/matured facilities (net)	26,000	31,500
Facilities at end of period	486,500	460,500
Borrowings at start of year	348,000	341,000
Change in core borrowing + (-)	9,114	6,638
Repayment of loans + (-)	-	-
Change in working capital requirement + (-)	(36,114)	362
Net borrowings at end of period	321,000	348,000
Plus unutilised facilities	165,500	112,500
Total borrowing facilities available	486,500	460,500

Note: "Borrowing facilities" excludes \$5 million of uncommitted funding lines. Facilities do not include short term commercial paper or deposits.

TREASURY POLICY COMPLIANCE

At 30 September 2014 all of the core policy compliance requirements were achieved as shown below.

PRUDENTIAL TREASURY LIMITS

Prudential limits	Policy limit (%)	Actual (%)	Compliance
Borrowings as a % of equity	<10	4.8	Yes
Borrowing as a % of income	<150	77.1	Yes
Net interest as a % of annual rates income	<20	8.8	Yes

Notes: Equity is based on the 2014/15 annual plan. Net interest is actual. Annual rates and income are based on 2014/15 annual plan.

Interest rate risk control limits (interest rate exposure)	Policy limit (%)	Actual (%)	Compliance
Fixed interest proportion	50-95	89	Yes
Broken down: 0-3 year bucket	20-60	24	Yes
Broken down: 3-5 year bucket	20-60	22	Yes
Broken down: 5-10 year bucket	20-60	54	Yes

Liquidity/funding risk (access to funds)	Policy limit (%)	Actual (%)	Compliance
Liquidity/funding risk (access to funds)	>110	123	Yes
Broken down: 0-3 year bucket	20-60	52	Yes
Broken down: 3-5 year bucket	20-60	22	Yes
Broken down: 5-10 year bucket	15-60	26	Yes

Notes: Liquidity is defined as: Current borrowings + committed loan facilities divided by 12 month peak borrowings (for the purpose of measuring liquidity short dated Commercial Paper is excluded)

KEY PROGRAMMES

		Q1 Actual (1 Jul–30 Sep 2014)	Q2 Planned (1 Oct–31 Dec 2014)	Q3 Planned (1 Jan–31 Mar 2015)	Q4 Planned (1 Apr–30 Jun 2015)
Committee	Programme	Milestones			
GOVERNANCE	ACCOUNTABILITY AND PLANNING	Annual Report adopted			
		Long-term plan: • Workshop series commenced.	Long-term plan: • Financial strategy. • Infrastructure strategy. • Programme overview.	Long-term plan: • Revenue and Financing policy. • Performance framework. • Adopt draft plan.	Long-term plan: • Consultation. • Adopt final plan.
		Mid-term capex review – \$15m investment package adopted and to be implemented, including: • Funding for Meet the Locals enclosure at Wellington Zoo. • Expansion of City to Sea Museum. • Victoria Street transformation in line with Central City Framework. • Urban catalyst projects.			
ECONOMIC GROWTH AND ARTS	ECONOMIC DEVELOPMENT	Region wide consultation on development of Wellington Regional Economic Development Agency (WREDA).	WREDA proposal adopted. WREDA Chair appointed.	WREDA transition and implementation.	
	8 BIG IDEAS	Convention centre: • Public consultation undertaken.	Convention centre: • Council consideration and final decision on proposal.		
		Tech hub: • Developed Expression of Interest (EOI) documentation.	Tech hub: • EOI released, closes 19 November 2014. • Evaluation of EOI responses and determination of next steps.		
		Airport runway extension: • Results of economic impact assessments received.	Airport runway extension: • Reports being peer reviewed by council officers. Report back to Council.		
		Film museum: • Preliminary investigations and concept development continue			
MAJOR EVENTS	World of Wearable-Arts – 25 Sep to 12 Oct Beervana – 22 to 23 Aug All Blacks v South Africa Test – 13 Sep LUX Light Festival – 22 Aug to 1 Sep Oktoberfest – 19 to 20 Sep	SkyShow – 8 Nov Toi Māori Art Market – 14 to 16 Nov Rugby League Four Nations Final – 15 Nov Capital Christmas – 10 to 24 Dec New Year's Eve Festival – 31 Dec	IRB Sevens – 6 to 7 Feb Homegrown Music Festival – 7 Mar ICC Cricket World Cup – 14 Feb to 29 Mar Cuba-Dupa – 28 to 29 Mar	Wellington Fashion Week – 8 to 12 Apr World Water Ski Racing Championships – 9 to 20 Apr WW100 and ANZAC Commemorations – 25 Apr AFL match – 25 Apr FIFA Under-20 World Cup – 30 May to 20 Jun	
COMMUNITY SPORTS AND RECREATION	HOUSING UPGRADE	Berkeley Dallard and Etona: • Construction completed and buildings reoccupied.			
		Arlington Site 1: • Business case under development.		Arlington Site 1: • Business case presented to Community, Sports and Recreation Committee (CSR).	Arlington Site 1: • Implementation of CSR decision.
		Arlington Site 2: • RFP under development.	Arlington Site 2: • RFP to be issued.	Arlington Site 2: • RFP results evaluation.	Arlington Site 2: • Develop detailed design.

		Q1 Actual (1 Jul–30 Sep 2014)	Q2 Planned (1 Oct–31 Dec 2014)	Q3 Planned (1 Jan–31 Mar 2015)	Q4 Planned (1 Apr–30 Jun 2015)
Committee	Programme	Milestones			
COMMUNITY SPORTS AND RECREATION	HOUSING UPGRADE	Marshall Court: • Under construction.		Marshall Court: • Construction complete.	
		Kotuku: • Tender evaluation complete.	Kotuku: • Construction contract commencement.	Kotuku: • Under construction.	
	RECREATION UPGRADES	Keith Spry Pool: • Teaching pool and children's pool tanks completed. • Maintenance work started on existing pool.	Keith Spry Pool: • Upgrade work on new pools and change rooms scheduled to be completed mid-December 2014.	Keith Spry Pool: • Hand over from contractor to the Council. Commence operational set-up of new pools and preparation for opening to the public. • Opening to the public in February 2015.	
ENVIRONMENT	WATER UPGRADES	Seismic strengthening: • Strengthening of Maupuia No1 and No2 reservoirs completed. • Melrose reservoir design work completed.	Seismic strengthening: • Melrose reservoir construction commenced. • Install auto-shut valve (ASV) at Roseneath No2 reservoir.	Seismic strengthening: • Melrose reservoir construction completed. • Linden and Newlands reservoir design work underway.	Seismic strengthening: • Linden and Newlands reservoir design work completed. • ASV installations at Montgomery, Mt Wakefield and Broadmeadows reservoirs.
	NATURAL ENVIRONMENT	Our Capital Spaces: • Completed pre-engagement for review of Biodiversity Action Plan. • Completed sediment reduction plan for Porirua Harbour Strategy. • Established interagency planning group for the development of Watts Peninsula as a heritage park. • Funding approved for Mountain Bike Economic Growth Initiative (MBEGI) to develop business plan for Wellington as a premier mountain bike destination.	Our Capital Spaces: • Biodiversity Strategy to Environment Committee for approval to formally consult. • Consultation on Draft Suburban Reserves Management Plan.	Our Capital Spaces: • Consultation on Biodiversity Strategy. • Consultation on Mt Victoria Master Plan.	Our Capital Spaces: • Final Biodiversity Strategy approved by Council. • Mt Victoria Master Plan completed. • MBEGI completed business plan for Wellington as a premier mountain bike destination.
	Island Bay Seawall: • Project and engagement plans agreed by the Environment Committee.	Island Bay Seawall • Consultation and engagement completed. • Environment Committee to consider options.	Island Bay Seawall: • Detailed design of options, pending Environment Committee decision.	Island Bay Seawall: • Consult on detailed design options. Final decision on approach.	
TRANSPORT AND URBAN DEVELOPMENT	EARTHQUAKE RESILIENCE	Earthquake strengthening of Council buildings: • Clarrie Gibbons Building strengthening completed. • Network Newtown strengthening commenced. • Truby King House chimney strengthening completed. • Thistle Hall strengthening continues.	Earthquake strengthening of Council buildings: • Network Newtown strengthening completed. • Portico demolition commenced. • Band Rotunda remediation completed. • Planning for strengthening chapel and crematorium at Karori Cemetery commenced. • Thistle Hall strengthening completed.	Earthquake strengthening of Council buildings: • Portico demolition completed.	
		Application submitted to the Rockefeller Foundation's "100 Resilient Cities" programme.	Decision expected on application to "100 Resilient Cities" programme.		
		Town Hall strengthening project is awaiting further information on options. Alternative use continues to be worked on.			

KEY PROGRAMMES

		Q1 Actual (1 Jul–30 Sep 2014)	Q2 Planned (1 Oct–31 Dec 2014)	Q3 Planned (1 Jan–31 Mar 2015)	Q4 Planned (1 Apr–30 Jun 2015)	
Committee	Programme	Milestones				
TRANSPORT AND URBAN DEVELOPMENT	EARTHQUAKE RESILIENCE	Hataitai Bus Tunnel: • Portal strengthening design and tender documents completed and issued. • Public notification of works and stakeholder briefings.	Hataitai Bus Tunnel: • Portal tender evaluation and awarding of contract. • Work to strengthen portals commences in November 2014.	Hataitai Bus Tunnel: • Work to strengthen portals continues with 80% completed by end of quarter. Seatoun Tunnel: • Pending assessment of earthquake strengthening requirements the contract for professional services for this work will be tendered.	Hataitai Bus Tunnel: • Work to strengthen portals completed.	
	WATERFRONT FRAMEWORK	North Kumutoto project: • Council decision on building, long-term lease and public space projects.	North Kumutoto project: • Application for resource consent likely to be submitted.	North Kumutoto project: • Resource consent application process continues.		
		TSB Arena and Shed 6: • Investigations commenced.	TSB Arena and Shed 6: • Detailed planning completed and tender documentation prepared.	TSB Arena and Shed 6: • Work underway to renew exterior cladding.		
	URBAN DEVELOPMENT	Parliamentary precinct: • Contractor appointed for Cenotaph upgrade. • Construction commenced 1 September.	Parliamentary Precinct: • All demolition and ground works completed. • Work commenced on new staircase and paving.	Parliamentary Precinct: • Work completed and space opened up for public use.		
		Memorial park: • Arras Tunnel opened and park construction commenced.	Memorial park: • Park construction underway. Australian Memorial construction commences.	Memorial park: • Park construction complete.	Memorial park: • Park opening and Anzac day commemoration.	
		Kilbirnie town centre phase two: • Deferred pending confirmation of design brief.	Kilbirnie town centre phase two: • Design brief confirmed following consultation. • Concept design completed and detailed design underway.	Kilbirnie town centre phase two: • Detailed design completed and contract awarded.	Kilbirnie town centre phase two: • Construction underway.	
		Victoria Street: • Funding and concept design approved and detailed design commenced.	Victoria Street: • Detailed design completed and construction commenced.	Victoria Street: • Full construction work underway with construction commencing in southern block.	Victoria Street: • Major construction works completed by end of June. • Minor additional works may continue.	
		Lombard Lane: • Design brief being confirmed.	Lombard Lane: • Concept design completed.	Lombard Lane: • Detailed design completed.	Lombard Lane: • Tender documents prepared and construction programme agreed with developer.	
		TRANSPORT	Island Bay to City Cycle route: • Section one (Shorland Park to Wakefield Park) design and consultation. • Section two (Wakefield Park to John St) planning and preparation for public consultation.	Island Bay to City Cycle route: • Section one (Shorland Park to Wakefield Park) design and consultation completed. Committee to make decision. • Section two (Wakefield Park to John St) planning and preparation for public consultation.	Island Bay to City cycle route: • Section one (Shorland Park to Wakefield Park) construction commences. • Section two (Wakefield Park to John St) public consultation completed. Report to Committee.	Island Bay to City cycle route: • Section one (Shorland Park to Wakefield Park) construction completed. • Section two (Wakefield Park to John St) Committee decision on preferred option expected. Planning for preferred option.
			Johnsonville road improvements: • Broderick Rd Bridge construction started.	Johnsonville road improvements: • Broderick Rd Bridge construction continues.	Johnsonville road improvements: • Broderick Rd Bridge construction continues. • State Highway One off-ramp work commences. • Other work commences: Signal works, street and crossing upgrades, and pedestrian and cycling improvements.	Johnsonville road improvements: • Broderick Rd Bridge construction completed. • State Highway One off-ramp work continues. • Other work continues: Signal works, street and crossing upgrades, and pedestrian and cycling improvements.
	Public Transport Spine: • Undertake core spine assessments to determine physical corridor constraints and detailed assessment of core routes based on integration with the Council's cycle planning.					



APPENDIX 1: QUARTERLY REPORT 1 July 2014 – 30 September 2014

PERFORMANCE SUMMARY: BY ACTIVITY AREA

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1. GOVERNANCE

Pārongo ā-Tāone

We want to maintain confidence in our decision-making.

We have an obligation to ensure the views of Māori and mana whenua are heard.

WHAT WE DO

- Governance, information and engagement
- Māori and mana whenua partnerships.

HIGHLIGHTS OF THIS QUARTER

- We improved transparency and access by live streaming Council meetings.
- We adopted our annual report. The first local authority in the country to do so.
- We introduced a mid-term capex review. This resulted in \$15 million of investment in the city.
- The Council voted to retain Single Transferable Voting (STV) for the next triennial elections.
- The June/July Matariki and Māori Language Week programme of events was delivered.
- Our contact centre was the winner of the 2014 ALGIM Ultimate Customer Service Award.

SIGNIFICANT VARIANCES TO PERFORMANCE¹:

SERVICE DELIVERY

Measure	Actual	Target	Var	Variance explanation
Council, committee and subcommittee reports that are made available to the public five days prior to the meeting (%)	56%	80%	(30%)	We continued to achieve 100% for our statutory target to making reports available two days prior to meetings. Tight deadlines between Audit and Risk Subcommittee meetings and those of the Governance, Finance and Planning Committee have caused delays in getting agendas out.
Satisfaction with City Archive services and facilities	100%	90%	11%	

NET OPERATING EXPENDITURE

Activity	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
1.1 Governance, Information & Engagement	3,298	3,565	267	14,221	14,213
Under budget due to vacancies and timing of work programmes.					
1.2 Māori Engagement (mana whenua)	65	56	(9)	225	225
TOTAL	3,364	3,622	258	14,446	14,438

CAPITAL EXPENDITURE

No significant variances.

¹ Areas where performance varied from budgeted expectations by more than 10%.

2. ENVIRONMENT

Taiao

We aim to protect and enhance Wellington's natural environment.

WHAT WE DO

- Gardens, beaches and green open spaces
- Waste reduction and energy conservation
- Water
- Wastewater
- Stormwater
- Conservation attractions.

HIGHLIGHTS OF THIS QUARTER

Gardens and green open spaces

- The Botanic Gardens of Wellington Management Plan was approved by the Environment Committee.
- The Wellington Town Belt Bill was approved by the Council. The Bill will now be introduced into Parliament by the MP for Wellington Central, Grant Robertson.
- Mt Victoria master planning is underway – this is one of the key objectives under the Wellington Town Belt Management Plan 2013.
- The draft Suburban Reserves Management Plan was approved for public consultation.
- 16,880 plants were planted through the Council restoration planting programme and 18,371 plants were distributed to community groups.
- Habitat the Game smartphone app was launched in collaboration with the Department of Conservation.
- A series of videos were shot to demonstrate best practice restoration planting for public use.
- Otari Curator's house (Leonard Cockayne Centre) reconfiguration completed and officially opened.
- The Spring Festival was completed with partners reporting especially high levels of bookings this year on the back of a new marketing approach.
- Further consultation was undertaken with the Accessibility Advisory Group, kaumatua and children for the Wellington Botanic Garden Children's Garden.
- *Seaweek* events in the Wellington region were coordinated with NZ Association for Environmental Education.
- Our Living City grants were approved for five projects.

Waste reduction and energy conservation

- Smart Energy challenge – Aro Solar installed a solar PV system on the Aro Valley Community Centre.
- 77 insulation retrofits were completed as part of our Warm Up Wellington partnership with EECA, CCDHB, Hutt Mana Charitable Trust and the Sustainability Trust.

- 141 home assessments were completed as part of the Home Energy Saver programme.
- *Kai to Compost*, our food waste collection is up 7 percent up on last year's volumes, coupled with a 21 percent increase in revenue.
- Since May, our project to increase waste diversion at the Southern Landfill transfer station has diverted an estimated additional 24 tonnes for re-sale in the Second Treasures shop. Income for the shop is 28 percent above the same period last year.

Water, wastewater and stormwater

- Karori Road and Redwood Road water pumping stations were renewed.
- A demonstration of the Aquarius water conservation education display unit at the Wellington Home & Garden Show raised awareness of the value of low-flow shower heads and fixing leaks.
- Wastewater pipes at pump station 38 (Island Bay) were renewed.
- Renewal of the stormwater pipeline through Massey University is 70 percent complete. The stormwater drain at Main Road Tawa was renewed.

Conservation attractions

- In September, the Wellington Zoo opened its new Grassland Cats habitat featuring servals and New Zealand's first caracal exhibit.
- 297 children attended the Zealandia Kids by Night tours.

SIGNIFICANT VARIANCES TO PERFORMANCE²:

SERVICE DELIVERY

Measure	Actual	Target	Var	Explanation
Freshwater sites (%) within acceptable faecal coliform counts	81%	95%	(14%)	Investigations are under way for the four areas where water quality is poor. Our investigations are ongoing. We have found some faults in the public and private networks, which we have corrected.
Visitors to the Zoo	45,000	50,286	(11%)	The Zoo expects to achieve its target at year-end.
Visitors to Zealandia	14,458	19,950	(26%)	Poor weather on peak days has affected visitor numbers. Visitor numbers may have been under-recorded because of technical issues. The Trust expects to resolve these issues in the next quarter and achieve its year-end target.
Zealandia – education programme attendees	1,547	2,371	(35%)	The Trust expects to achieve its year-end target.

NET OPERATING EXPENDITURE

Activity	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
2.1 Gardens, Beaches and Open Space	6,998	7,075	78	28,156	28,176
2.2 Waste Reduction & Energy Conservation	276	363	87	741	280
Under budget due to higher revenue from waste minimisation activities and lower than forecast contract costs due to delayed CPI increases.					
2.3 Water	9,126	9,960	835	37,229	39,879
Under budget due to lower depreciation and insurance costs.					
2.4 Wastewater	9,453	10,077	624	38,132	40,377
Under budget due to lower depreciation and insurance costs.					
2.5 Stormwater	4,143	4,662	519	17,350	18,647
Under budget due to lower depreciation and timing variances on the sump cleaning programme.					

² Areas where performance varied from budgeted expectations by more than 10%.

**ECONOMIC GROWTH AND ARTS
COMMITTEE
18 NOVEMBER 2014**

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

2.6 Conservation Attraction	2,404	2,440	36	6,137	6,126
TOTAL	32,399	34,578	2,178	127,745	133,486

Item 2.5 Attachment 2

CAPITAL EXPENDITURE

Activity	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
2.1 Gardens, Beaches and Open Space	706	499	(207)	3,073	3,073
Over budget due to the capital programme being ahead of schedule. Costs are expected to be in line with budget at year end.					
2.2 Waste Reduction & Energy Conservation	24	76	52	979	979
Under budget due to the need to explore options for the Southern Landfill extension project.					
2.3 Water	1,688	1,660	(28)	13,361	13,004
2.4 Wastewater	710	734	24	7,745	7,745
2.5 Stormwater	1,482	1,050	(432)	4,255	4,255
Over budget due to construction on stormwater renewal programme being ahead of schedule.					
2.6 Conservation Attraction	159	233	74	4,160	4,160
TOTAL	4,769	4,252	(518)	33,573	33,216

3. ECONOMIC DEVELOPMENT

Whanaketanga ōhanga

By supporting city promotions, events and attractions, we underscore Wellington's reputation as a great place to live and visit.

WHAT WE DO

- City promotions and business support

HIGHLIGHTS OF THIS QUARTER

- Joint public consultation with GWRC on the proposal to establish the Wellington Regional Economic Development Agency (WREDA) was undertaken. On 30 September, Wellington City Council (WCC) approved the establishment of WREDA. WREDA will include the following functions and organisations:
 - Positively Wellington Tourism (WCC)
 - Positively Wellington Venues (WCC)
 - Major Events (WCC)
 - Destination Wellington (WCC)
 - Grow Wellington (GWRC)
- Work commenced on assessing the requirements for an indoor performance arena for Wellington.

Positively Wellington Tourism

- The *Tyrannosaurs - Meet the Family* campaign was launched in partnership with Te Papa.
- Represented the Wellington Region at KiwiLink India in July, training travel agents and talking to travel sellers ahead of the ICC Cricket World Cup 2015. Attended KiwiLink South East Asia in September along with agent training seminars in Singapore, Jakarta and Perth.
- Wellington hosted the AFAC international conference, with over 900 delegates from Australia, NZ and the Pacific. The conference resulted in an economic impact of over \$1 million for the city.

Wellington Museums Trust

- Capital E National Theatre for Children toured *An Awfully Big Adventure* through New Zealand, reaching more than 5,600 young people to date.
- City Gallery Wellington had excellent attendance of 55,135 for the exhibition *Seung Yul Oh: MOAMOA A Decade*.
- The introduction of an Open Late season (a programmed late night the first Thursday of the month) has proven to be a popular addition to the public programme/event schedule at City Gallery Wellington.

SIGNIFICANT VARIANCES IN PERFORMANCE³:

SERVICE DELIVERY

Measure	Actual	Target	Var	Explanation
Estimated attendance at Council supported events	134,564	95,000	42%	Estimated attendance at the LUX light festival was above forecast.

NET OPERATING EXPENDITURE

Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
3.1 City Promo & Business Support	7,689	7,761	71	24,723	23,774
TOTAL	7,689	7,761	71	24,723	23,774

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
3.1 City Promo & Business Support	196	402	206	2,471	2,471
Under budget due to renewal works on Positively Wellington Venues being behind the schedule. Costs are expected to be in line with budget at year end.					
TOTAL	196	402	206	2,471	2,471

³ Areas where performance varied from budgeted expectations by more than 10%.

4. CULTURAL WELLBEING

Oranga ahurea

Supporting arts activity adds vibrancy to the city as well as promoting inclusive, tolerant and strong communities.

WHAT WE DO

- Arts and cultural activities

HIGHLIGHTS OF THIS QUARTER

- Paint Up 2014 workshops began. Paint Up is a schools' mural project that we piloted last year. It is now an annual community art project.
- We are developing murals on bus shelters prone to graffiti. Mica Still completed a mural on a bus shelter in Newlands and Michelle Carlton will paint a shelter in Newtown.
- The Toi Pōneke Review Report was delivered to the Economic Growth and Arts Committee. All report recommendations were agreed to.
- Toi Pōneke delivered three exhibitions – *Here we are...Home at Last* by Negin Dastgheib & Jessica Hubbard, *Lest We Go Ashore* by Shaun Mathews, and *Abstract / Ethics* by Robbie Whyte.
- We decided to fund three projects under the Public Art Fund. They are a guide to Wellington's permanent public art – *Art & About*; a project to highlight the history of the Embassy Theatre; and the final development of Kedron Parker's *Kumutoto Stream*, which will become a permanent installation.
- The Public Art Funded project, *Miniature Hikes*, began with the siting of artists Kemi Niko & Co.'s first miniature hut in Mount Cook.
- A new exhibition, *It's Love, Isn't It?* by Sarah Jane Parton was installed in the Courtenay Place Park light boxes.
- The City Art Collection was relaunched online, with the creation of virtual exhibitions providing easier access to the collection.
- The annual Artsplash Children's Festival took place between 2 and 12 September. This is New Zealand's largest participatory arts festival for primary and intermediate students. 8,000 children from almost 100 schools from across the Wellington Region took part in the festival.
- Construction of apartment at Clyde Quay Wharf for visiting international artist in residence commenced.

SIGNIFICANT VARIANCES IN PERFORMANCE⁴:

SERVICE DELIVERY

Measure	Actual	Target	Var	Explanation
Estimated attendance at Arts and Cultural festivals	4,000	12,000	(67%)	Festival attendance is typically low during the first quarter of the year. We expect attendance to increase during the next two quarters.

NET OPERATING EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
4.1 Galleries and Museums	6,544	6,809	265	18,012	17,190
Under budget due to timing variances for cultural grant allocations.					
TOTAL	6,544	6,809	265	18,012	17,190

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
4.1 Galleries and Museums	0	0	0	356	356
TOTAL	0	0	0	356	356

⁴ Areas where performance varied from budgeted expectations by more than 10%.

5. SOCIAL AND RECREATION

Pāpori me te hākinakina

We provide a wide range of services throughout the city to encourage quality of life and healthy lifestyles.

WHAT WE DO

- Recreation promotion and support
- Community support
- Public health and safety.

HIGHLIGHTS OF THIS QUARTER

Recreation promotion and support

- \$250,000 funding received from New Zealand Community Trust for “Youth in Sport” programme at ASB Sports Centre and the Dragon Boat Festival.
- The new Education Noticeboard newsletter was developed for primary schools. The newsletter informs communities about relevant programmes, events and initiatives and will be produced each term.
- We initiated three Dodgeball events at Kilbirnie and Karori Recreation Centres. Dodgeball is very popular with young adults and attracts them to our recreation centres.
- We worked with Wellington Mountain Biking to establish beginners programmes at the South Coast Kids Track.
- We liaised with corporates about sponsoring community sport programmes, events and initiatives (MADD Gear Action Sports, Hasbro, Frucor, HART & Dynamic Sport).
- We hosted the Trans Tasman Cup (NZ v AUS Futsal series), Steve Adams Basketball Camp, and several national level sports events.
- The drainage upgrade at Nairnville Park was completed and we began work on the drainage upgrade at Redwood Park.
- We began work to replace the roof on the Newtown Park grandstand.
- We tendered and awarded a contract for renewal works at Martin Luckie Pavilion.

Community support

- Kim Hill chaired a panel discussion with section winners of the New Zealand Post Book Awards, which more than 100 people attended.
- We are coordinating projects for Neighbours Day Aotearoa 2015, and youth development workshops for the eastern suburbs.
- Emergency water tanks were installed in Karori West and Churton Park Schools.
- We are implementing the graffiti removal programme, including a volunteer programme with *BNZ Closed for a Day*, with communities, businesses and the Police.
- We are working with WREMO to implement training for welfare registration – scenario planning for welfare response and working with regional public health to plan for a pandemic response.
- We hosted discussions with licensees to re-establish Wellington Licensee Forum/Capital Hosts, encouraging joint action to reduce alcohol-related harm.

- We held a Tenant Open Forum with over 40 housing tenants giving us direct feedback on our services.
- We launched Discover Your Talents and Job Club initiatives to help housing tenants with literacy and finding employment.

Public Health and safety

- We are partnering with the New Zealand Police to prevent crime in car parks. The initial work involves working with private providers – Wilson Parking and Tournament Parking – and a prevention education programme.
- The Wolfpack app continues to be used and promoted as part of the student orientations.
- We are partnering with the Police to improve neighbourhood safety in Strathmore. Initiatives include playground improvements, graffiti removal and a planned community evening near the Palmer Head bunkers.
- Our local host team continues to provide a valuable service in the central city and has now expanded to trial a presence in Kilbirnie, Miramar and Newtown.

SIGNIFICANT VARIANCES IN PERFORMANCE⁵:

SERVICE DELIVERY

Measure	Actual	Target	Variance	Variance Explanation
Visits to facilities – recreation centres	94,837	108,100	(12%)	This result is mainly from lower than expected visits to the Nairnville Recreation Centre.
Visits to facilities: ASB Sports centre (peak)	95,132	110,906	(14%)	Weekday evening and Saturday usage was strong but Sunday usage was low. Initiatives to increase Sunday activities will be implemented.
ASB Sports Centre courts utilisation (off-peak)	42%	35%	21%	
ASB Centre courts utilisation (peak)	59%	71%	(16%)	Weekday evening and Saturday usage was strong but Sunday usage was low. Initiatives to increase Sunday activities will be implemented.
Libraries website visitor sessions	927,215	300,000	209%	In 2012/13 we changed the measurement methodology. We expected results to decrease and we reduced the target accordingly. The expected decrease has not occurred and we will review the target during the development of the next long-term plan.
Library programmes – estimated attendees	22,337	17,500	28%	This year, we increased the target for this measure but results are still above forecast. We will review the target during the development of the next long-term plan.
Occupancy rates (%) of Wellington City Council Community Centres and Halls	37%	45%	(18%)	We changed the methodology for this measure, which now combines community centres and community halls. We also set a new stretch target that we will struggle to meet by year-end.
Percentage of inspections carried out for high risk premises (category 3) carried out during high trading hours.	18%	25%	(29%)	No inspections were completed in July or August because of staff vacancies. Inspections picked up during September and we expect to achieve the year-end target.
Percentage of planned inspections carried out for high risk (category 3) premises	14%	25%	(44%)	No inspections were completed in July or August because of staff vacancies. Inspections picked up during September and we expect to achieve the year-end target.

⁵ Areas where performance varied from budgeted expectations by more than 10%.

NET OPERATING EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
5.1 Recreation Promotion & Support	6,462	6,317	(145)	26,184	25,126
Over budget due to maintenance costs ahead of budget. Costs are expected to be in line with budget at year end.					
5.2 Community Support	4,694	5,384	690	16,095	16,821
Under budget due to City Housing savings in interest, depreciation and insurance costs.					
5.3 Public Health and Safety	2,079	2,032	(47)	8,832	8,281
TOTAL	13,235	13,733	497	51,111	50,228

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
5.1 Recreation Promotion & Support	2,076	1,976	(100)	7,243	7,243
Slightly over budget as work ahead of schedule. Costs are expected to be in line with budget at year end.					
5.2 Community Support	4,469	5,971	1,501	22,222	22,222
Under budget as Housing work is behind budget, this is mainly related to the Housing Upgrade Project. Costs are expected to be in line with budget at year end.					
5.3 Public Health and Safety	238	59	(179)	1,142	1,310
Over budget as costs incurred earlier than budgeted for the renewal of the Newtown Park Grandstand.					
TOTAL	6,783	8,006	1,223	30,607	30,775

6. URBAN DEVELOPMENT

Tāone Tupu Ora

Our focus is on enhancing Wellington as a compact, vibrant, attractive and safe city that is built on a human scale and is easy to navigate.

WHAT WE DO

- Urban planning, heritage and public spaces development
- Building and development control.

HIGHLIGHTS OF THIS QUARTER

- We have had an increase in Commercial Consents related to earthquake strengthening.
- The first tranche of special housing areas was approved by Council as part of the implementation of the Housing Accord signed with the Government.
- A memorandum of understanding was signed by the Council, Ministry for Culture and Heritage, and Port Nicholson Block Settlement Trust for the future use and development of Shelly Bay and Watts Peninsula.
- The re-hearing before the Environment Court in relation to the proposed demolition of the Harcourts building has been heard.
- Over \$205,000 was allocated to 11 applicants in the first round of the Built Heritage Incentive Fund. Recipients include Wesleyan Methodist Church, St Mary's Anglican Church, Owhariu Community Hall and Wellington Rowing and Star Boating Clubs, supporting their upcoming seismic strengthening projects.
- The green man signalling pedestrian crossings at eight traffic lights in the Parliamentary precinct were replaced with a silhouette of Kate Sheppard, drawing attention to the 121st anniversary of New Zealand women gaining the right to vote, the day before the 2014 General Election.
- The Tinakori Road enhancements are nearing completion and have been well received.
- The Opera House Lane improvements were completed.
- Civic Precinct (scoping) study commenced, with concept proposals for Mercer Street, Civic Square and Illott Green being explored.
- Concept design, stakeholder engagement and costings for Bond Street have started.
- Concept design and stakeholder engagement are progressing for Masons Lane.

SIGNIFICANT VARIANCES IN PERFORMANCE⁶:

SERVICE DELIVERY

Measure	Actual	Target	Var	Variance Explanation
Noise control (excessive noise) complaints investigated within one hour	99%	90%	10%	All but three of the 369 noise complaints received were investigated within one hour.
Resource consents that are monitored within three months of project commencement	99%	90%	10%	Only one site was not monitored within three months of project commencement.
Earthquake strengthened council buildings: programme achievement	Partially-Achieved	Achieved	n/a	Work on the Town Hall and Portico are ongoing.
Earthquake prone building notifications that are issued without successful challenge	67%	100%	(33%)	A notification was successfully challenged on one building.

NET OPERATING EXPENDITURE

Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
6.1 Urban Planning and Policy	2,693	2,882	190	11,649	11,951
Under budget due to timing variances on maintenance expenditure and lower insurance costs both relating to Waterfront assets.					
6.2 Building & Development Control	2,110	1,824	(286)	7,889	7,319
Over budget due to resource consent revenue behind budget and contracts and professional fees over budget in earthquake prone building assessment. At this stage this is expected to be mainly a timing variance.					
TOTAL	4,803	4,706	(97)	19,537	19,270

CAPITAL EXPENDITURE

Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
6.1 Urban Planning and Policy	996	441	(555)	17,279	17,159
Over budget due to timing variances on the Victoria St, Clyde Quay Wharf Artist in Residence and Parliamentary Precinct projects					
6.2 Building & Development Control	1,087	1,122	35	5,558	5,558
TOTAL	2,083	1,562	(521)	22,837	22,717

⁶ Areas where performance varied from budgeted expectations by more than 10%.

7. TRANSPORT

Waka

We manage the transport network so it is sustainable, safe and efficient.

WHAT WE DO

- Transport
- Parking.

HIGHLIGHTS OF THIS QUARTER

Parking

- From 1 July 2014, Parking Services has been provided as an in-house operation with a focus on customer service, education and ambassadorial roles in Wellington City. We have had compliments from the public and retailers about the customer service, energy and enthusiasm of the team.

Temporary Road Use Compliance

- Approved 1090 Corridor Access Requests for Utility Network maintenance and other temporary activities on the transport network, monitoring activity as appropriate.
- Provided 491 approvals for significant temporary traffic management plans.

Other

- We installed LED street lighting in Courtenay Place, Allen Street and Blair Street. Planning and design work for the installation of LED lights in Cuba Mall commenced.
- LED street lights were installed in Grenada Road.
- We installed larger rubbish bins in Oriental Parade and Courtenay Place.
- We worked with developers to enable LED lights to be installed in new development areas of Woodridge.

SIGNIFICANT VARIANCES IN PERFORMANCE⁷:

SERVICE DELIVERY

No significant variances.

NET OPERATING EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
7.1 Transport	9,405	9,845	439	39,354	39,114
Under budget mainly due to lower depreciation costs.					
7.2 Parking	(3,610)	(3,388)	222	(13,773)	(14,086)
Under budget due to staff vacancies and savings in debt collection costs.					
TOTAL	5,795	6,457	662	25,581	25,028

⁷ Areas where performance varied from budgeted expectations by more than 10%.

**ECONOMIC GROWTH AND ARTS
COMMITTEE
18 NOVEMBER 2014**

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
7.1 Transport	5,718	6,648	930	43,930	39,623
Under budget due to timing variances on work programmes, predominantly pre-seal preparations for renewals and shape and camber corrections, both as a result of unfavourable weather conditions.					
7.2 Parking	0	8	8	180	180
TOTAL	5,718	6,655	937	44,111	39,803

Item 2.5 Attachment 2

UPDATE ON MAJOR PROJECTS

Purpose

1. The Committee will receive an update on the major projects work underway.

Recommendation

That the Economic Growth and Arts Committee:

1. Receive the information.

Discussion

2. The Director of City Growth and Partnerships will update the Committee on a number of projects currently underway.

Attachments

Nil

Author	Derek Fry, Director City Growth & Partnerships
Authoriser	Derek Fry, Director City Growth & Partnerships

UPDATE ON TE PAPA AGREEMENT

Purpose

1. This report provides the Committee with an update on the status of the current agreement between Wellington City Council and the Museum of New Zealand Te Papa Tongarewa (Te Papa).

Summary

2. Te Papa continues to be a key strategic partner of Wellington City Council and directly contributes to the economic, social and cultural activity of the city. In recent years its visitor numbers have consistently been impressive at approximately 1.3M visitors per year, making it one of the most visited museums in Australasia. Te Papa has presented a significant number of major exhibitions driving visitation to the museum and city. In addition to this, Te Papa continues to provide the Wellington City Council with a number of other benefits including a range of branding opportunities, an annual allocation of highly sought after complimentary venue hires and the ever popular free entry day for residents to short-term exhibitions.

Recommendation

That the Economic Growth and Arts Committee:

1. Receive the information.

Background

3. Wellington City Council and Te Papa have shared a successful partnership since July 1996 when Wellington City Council became a Founding Partner of Te Papa.
4. The current Agreement ends on 30 June 2015.
5. Te Papa is a key strategic partner of Wellington City Council and directly contributes to the economic, social and cultural activity of the city. Wellington City Council recognises that Te Papa has a significant role to play as part of 'team Wellington' to promote the city domestically and internationally via its touring exhibition programme and marketing initiatives.
6. The current Agreement marked an improved relationship between Wellington City Council and Te Papa, working together to improve the delivery of economic, social and cultural benefits to the city and by demonstrating the successes from this relationship.

Discussion

7. An extension of this agreement will be reviewed as part of the Wellington City Council 2015-2025 Long-term Plan.
8. The negotiation of this agreement extension is currently underway and officers are providing this update to the Committee to reflect this.

Funding under Agreement

9. The value of the funding agreement is currently \$2.25 million per annum plus GST.

10. Funding under the Agreement reflects the Council's Long-term Plan and is made each year in accordance with a Forward Plan agreed between Te Papa and the Wellington City Council.
11. Council funding may be used to provide for a one year project or as a triennial project. Council funding is intended to complement rather than be a substitute for investment by other parties, including Government and private sector organisations.
12. Te Papa continues to also seek revenue from other sources, including corporate sponsorship, trusts and grants, private donations and funding from other public authorities and entities.

Objectives under Agreement

13. Council's partnership with Te Papa provides an opportunity to leverage Wellington's cultural identity for economic, social and cultural benefit to both Wellington and Te Papa. This includes showcasing Wellington internationally as New Zealand's capital city and home to innovative and creative enterprises. In line with Council's Smart Capital vision, a key objective of the partnership is to retain and attract visitors, investment, businesses and talent to Wellington.
14. The key objectives the Council is committed to achieving through the current Agreement are to:
 - build on the vision of Towards Wellington 2040: Smart Capital;
 - achieve the aims and objectives of the Council's Long-Term Plan, Economic Strategy, Events Strategy, Arts & Culture Strategy, Accessibility Action Plan, Capital City Initiative, Our Living City and other relevant strategic documents in existence both now or in the future;
 - maximise the contribution Te Papa makes to the city, through its high visitation and coordination with other Wellington attractions;
 - encourage events/exhibitions that celebrate Wellington's cultural activity and diversity;
 - attract national and/or international attention to Wellington as a place to visit, work or invest;
 - maximise the opportunities to strengthen Wellington's international connections by interacting with the diplomatic community based in Wellington, maximising the special relationships we have with some cities (e.g. Beijing), hosting international delegations and leading delegations from Wellington to other countries;
 - through Positively Wellington Tourism, market Wellington as a desirable destination and the Te Papa experience to key audiences;
 - coordinate events/exhibitions with other major activities in the region and New Zealand and with other Council entities (e.g. Positively Wellington Tourism, Positively Wellington Venues, Wellington Museums Trust and Zealandia);
 - to develop a diverse and vibrant year round calendar for the city by attracting new events/exhibitions into the Wellington off-peak season;
 - showcase cosmopolitan Wellington to visiting talent/businesses and international audiences;

- build on the success of current events (e.g. WOW) and attract international events/exhibitions to maximise potential from both the domestic and international tourism markets;
 - identify and bid for particular events/exhibitions of national and international significance; and
 - target major events/exhibitions which are world class and new to New Zealand.
15. It is noted that the following benefits are included in the current funding agreement;
- a comprehensive range of branding opportunities for the Council,
 - complimentary venue hires for use by Council or community organisations,
 - a requirement for Te Papa to ensure its services and activities are accessible to diverse communities, including those with physical and other impairments
 - Wellington City Ratepayers and Residents being offered on one day annually, a complimentary pass to a short-term exhibition that carries an admission charge, and,
 - a commitment from Te Papa to work co-operatively with Positively Wellington Tourism and other Wellington City attractions, both to encourage visitors to seek out Wellington's key attractions, and to share resources or profile.
16. Additional benefits to Wellington, provided by Te Papa are:
- Te Papa showcasing Wellington and Te Papa internationally (providing a waharoa (gateway) to New Zealand's natural and cultural heritage for overseas audiences and attracting international events/exhibitions to Wellington); and
 - Online, on screen and going digital –partnering with technology partners to create greater accessibility for online visitors to explore and learn about the collections and developing a digital programme.

Forward Plan Requirements

17. Each year Te Papa provides Wellington City Council with a Forward Plan of events and activities that contribute to the key objectives of this Agreement.

Monitoring and Reporting

18. Te Papa provides regular progress reports to officers on achievements against the Forward Plan and performance measures required for the Council's quarterly reporting framework.
19. Te Papa also attends regular meetings and presents to Committee as needed to ensure that the Council is fully informed.

Performance Measures

20. Performance measures for specific events, exhibitions and activities are identified in the Forward Plan. Measures include:
- the number of visitors broken down into categories by where they normally live including Wellington City residents, Wellington region residents, residents from elsewhere in New Zealand and overseas residents;
 - % visitor satisfaction with event/activity/exhibition; and
 - proportion of visitors to Te Papa who are satisfied with event/activity/exhibition.

21. Overall measures to be reported on include:

- the number of visitors broken down into categories by where they normally live including Wellington City residents, Wellington region residents, residents from elsewhere in New Zealand and overseas residents; and
- total visitor satisfaction with experience at Te Papa.

Recent Performance

22. Recent Te Papa visitation is set out in the following table:

	2012/13		2013/14		Q1 2014/15	
Wellington City	289,990	21%	274,953	21%	62,624	23%
Wellington Region	126,337	10%	116,830	9%	28,141	11%
Rest of New Zealand	310,696	24%	266,358	21%	65,827	25%
Overseas	584,527	45%	631,213	49%	110,429	41%
Total	1,311,550	100%	1,289,354	100%	267,021	100%
Overall satisfaction rating of Te Papa (rating of 6/10 or more)	97.5%		97.3%		97.1%	

Source: Te Papa front door electronic counting system and monthly exit interviews.

23. Recent major exhibitions supported by the funding support provided by Wellington City Council include:

- Game Masters (15 December 2012 – 28 April 2013)
- Warhol: Immortal (1 June 2013 – 25 August 2013)
- Colour & Light: Impressionism from France & America (13 July – 12 Jan 2014)
- Aztecs: Conquest and Glory (29 September 2013 – 9 February 2014)
- China: Throne of Emperors (22 March – 22 June 2014)
- Shi Lu: A Revolution in Paint (22 March – 22 June 2014)
- The WOW Factor (August 2013- September 2014)
- The WOW Factor (April – June 2014)
- The Berry Boys (18 April – 30 September 2014)
- Tyrannosaurs: Meet the Family (27 September – 9 November 2014)

24. In addition, Te Papa is currently touring the following exhibitions internationally:

- Whales: Tohorā - This natural history, bi-cultural, object based cross-generational exhibition is exhibiting as Whales: Giants of the Deep. Since commencing its tour in 2008, the exhibition has been viewed by more than a million people in North America.

- E Tu Ake: Standing Strong - Rare Maori taonga, social and political history.
 - Kura Pounamu: Treasured Stone of Aotearoa - Rare Pounamu taonga and New Zealand geography/geology, has been exhibited at four venues in China following its season at the National Museum of China:
25. As part of these and previous international exhibitions, Te Papa has undertaken activities to showcase Wellington as New Zealand's capital city and home to innovative.
26. In terms of the other benefits of the relationship;
- a comprehensive range of branding opportunities have been offered
 - the annual allocation of complimentary venue hires are in high demand and fully used
 - Te Papa has a programme in place to ensure its services and activities are accessible to diverse communities, including those with physical and other impairments
 - the annual complimentary entry day to short-term exhibitions for residents has been offered
 - Te Papa has worked closely with Positively Wellington Positively Wellington Tourism and other Wellington City attractions.

Next Actions

27. Officers will continue to update the Committee as appropriate on the agreement renegotiation process.

Attachments

Nil

Author	Warrick Dent, Manager City Events
Authoriser	Derek Fry, Director City Growth & Partnerships

SUPPORTING INFORMATION

Consultation and Engagement

The renegotiation of this agreement will be a consultative process with Te Papa. Funding will reflect the Council's Long-term Plan which is consulted on.

Treaty of Waitangi considerations

Not directly applicable.

Financial implications

Any funding provided will reflect the Council's Long-term Plan.

Policy and legislative implications

N/A

Risks / legal

Performance obligations under this agreement are monitored by officers.

Climate Change impact and considerations

N/A

Communications Plan

N/A

UPDATE ON MOUNTAIN BIKE ECONOMIC GROWTH INITIATIVE PROJECT

Purpose

1. The Committee will receive an update on the Mountain Bike Economic Growth Initiative Project currently underway.

Recommendation

That the Economic Growth and Arts Committee:

1. Receive the information.

Background

2. In April 2014 a presentation was made to the Economic Growth and Arts Committee by an external group regarding a request for \$60,000 in funding towards the development of a business plan to progress mountain bike initiatives in the Wellington Region. This project was subsequently funded by the Wellington Economic Initiatives Development Fund.
3. The project team is working in alignment with initiatives currently being undertaken by Parks Sport and Recreation through the Our Capital Spaces Recreation Framework workstream for 2014/15 (in particular *Outcome 3 – Contributing to Wellington’s outstanding quality of life*).

Discussion

4. The Committee will be updated on progress so far, including governance structure and workstreams.

Attachments

Nil

Author	Karyn Stillwell, Customer and Comm Partnerships Manager
Authoriser	Derek Fry, Director City Growth & Partnerships

3. Public Excluded

Resolution to Exclude the Public:

THAT the Economic Growth and Arts Committee :

Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
3.1 Report from Wellington International Airport Limited for the Quarter Ending 30 September 2014	s7(2)(b)(ii) The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.
